API Well Number: 43047533840000

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 3

AMENDED REPORT ☑

APPLICATION FOR PERMIT TO DRILL

1. WELL NAME and NUMBER Ute 23-7A-4-1	
2. TYPE OF WORK DRILL NEW WELL ◉ REENTER P&A WELL ○ DEEPEN WELL ○	**3. FIELD OR WILDCAT** UNDESIGNATED
4. TYPE OF WELL Oil Well Coalbed Methane Well: NO	**5. UNIT or COMMUNITIZATION AGREEMENT NAME**
6. NAME OF OPERATOR FINLEY RESOURCES INC	**7. OPERATOR PHONE** 817 231-8735
8. ADDRESS OF OPERATOR PO Box 2200, Fort Worth, TX, 76113	**9. OPERATOR E-MAIL** awilkerson@finleyresources.com
10. MINERAL LEASE NUMBER (FEDERAL, INDIAN, OR STATE) 14-20-H62-4902	**11. MINERAL OWNERSHIP** FEDERAL ○ INDIAN ◉ STATE ○ FEE ○
	12. SURFACE OWNERSHIP FEDERAL ○ INDIAN ○ STATE ○ FEE ◉
13. NAME OF SURFACE OWNER (if box 12 = 'fee') Coleman Mountain Holdings, LLC	**14. SURFACE OWNER PHONE (if box 12 = 'fee')** 435-671-2421
15. ADDRESS OF SURFACE OWNER (if box 12 = 'fee') P.O. Box 610, 610 N. Mesa Circle, Roosevelt, UT 84066	**16. SURFACE OWNER E-MAIL (if box 12 = 'fee')**
17. INDIAN ALLOTTEE OR TRIBE NAME (if box 12 = 'INDIAN')	**18. INTEND TO COMMINGLE PRODUCTION FROM MULTIPLE FORMATIONS** YES ○ (Submit Commingling Application) NO ◉
	19. SLANT VERTICAL ◉ DIRECTIONAL ○ HORIZONTAL ○

20. LOCATION OF WELL	FOOTAGES	QTR-QTR	SECTION	TOWNSHIP	RANGE	MERIDIAN
LOCATION AT SURFACE	1557 FNL 1710 FEL	SWNE	23	4.0 S	1.0 E	U
Top of Uppermost Producing Zone	1557 FNL 1710 FEL	SWNE	23	4.0 S	1.0 E	U
At Total Depth	1557 FNL 1710 FEL	SWNE	23	4.0 S	1.0 E	U

21. COUNTY UINTAH	**22. DISTANCE TO NEAREST LEASE LINE (Feet)** 1557	**23. NUMBER OF ACRES IN DRILLING UNIT** 40
	25. DISTANCE TO NEAREST WELL IN SAME POOL (Applied For Drilling or Completed) 1100	**26. PROPOSED DEPTH** MD: 8000 TVD: 8000
27. ELEVATION - GROUND LEVEL 5163	**28. BOND NUMBER** RLB0011294	**29. SOURCE OF DRILLING WATER / WATER RIGHTS APPROVAL NUMBER IF APPLICABLE** 43-8496

Hole, Casing, and Cement Information

String	Hole Size	Casing Size	Length	Weight	Grade & Thread	Max Mud Wt.	Cement	Sacks	Yield	Weight
COND	17.5	13.375	0 - 60	48.0	H-40 ST&C	0.0	Class G	41	1.17	15.8
SURF	12.25	8.625	0 - 500	24.0	J-55 ST&C	8.6	Class G	359	1.15	15.8
PROD	7.875	5.5	0 - 8000	15.5	J-55 LT&C	9.5	50/50 Poz	873	1.24	13.2

ATTACHMENTS

VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES

☑ WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER	☑ COMPLETE DRILLING PLAN
☑ AFFIDAVIT OF STATUS OF SURFACE OWNER AGREEMENT (IF FEE SURFACE)	☐ FORM 5. IF OPERATOR IS OTHER THAN THE LEASE OWNER
☐ DIRECTIONAL SURVEY PLAN (IF DIRECTIONALLY OR HORIZONTALLY DRILLED)	☑ TOPOGRAPHICAL MAP

NAME Don Hamilton	**TITLE** Agent	**PHONE** 435 719-2018
SIGNATURE	**DATE** 12/06/2012	**EMAIL** starpoint@etv.net

API NUMBER ASSIGNED
43047533840000

APPROVAL

Permit Manager

RECEIVED: January 16, 2013

Finley Resources, Inc.
UTE 23-7A-4-1
1557' FNL & 1710' FEL, SW/4 NE/4, Sec 23, T4S, R1E, U.S.B.&M.
Uintah County, UT

Drilling Program

1. Formation Tops

Surface	5,163'
Green River	2,182'
Black Shale	6,269'
Uteland Butte	6,817'
Wasatch	6,962'
TD	8,000'

2. Depth to Oil, Gas, Water, or Minerals

Black Shale	6,269'	- 6,817'	(Oil)
Uteland Butte	6,817'	- TD	(Oil)

Fresh water may be encountered in the Duchesne Formation, but is not expected below about 300'.

3. Pressure Control

Section	BOP Description
Surface	12-1/4" diverter
Interm/Prod	The BOP and related equipment shall meet the minimum requirements of Onshore Oil and Gas Order No. 2 for equipment and testing requirements, procedures, etc for a 5M system.

A 5M BOP system will consist of 2 ram preventers (double or two singles) and an annular preventer (see attached diagram). A choke manifold rated to at least 5,000 psi will be used.

4. Casing

Description	Interval		Weight (ppf)	Grade	Coup	Pore Press @ Shoe	MW @ Shoe	Frac Grad @ Shoe	Safety Factors		
	Top	Bottom							Burst	Collapse	Tension
Conductor	0'	60'	48	H-40	STC	--	--	--	1,730	770	322,000
13 3/8									--	--	--
Surface	0'	500'	24	J-55	STC	8.33	8.6	11	2,950	1,370	244,000
8 5/8									11.59	8.25	20.33
Production	0'	8,000'	15.5	J-55	LTC	9	9.5	11	4,810	4,040	217,000
5 1/2									1.63	1.28	1.75

RECEIVED: December 06, 2012

Assumptions:

Surface casing MASP = (frac gradient + 1.0 ppg) - (gas gradient)
Intermediate casing MASP = (reservoir pressure) - (gas gradient)
Production casing MASP = (reservoir pressure) - (gas gradient)
All collapse calculations assume fully evacuated casing with a gas gradient
All tension calculations assume air weight of casing
Gas gradient = 0.1 psi/ft

All casing shall be new. Top Joint of surface casing will be J-55 STC 32 ppf casing.
All casing strings shall have a minimum of 1 centralizer on each of the bottom 3 joints.

5. Cement

Job	Hole Size	Fill	Slurry Description	ft^3 / sacks	OH excess	Weight (ppg)	Yield (ft^3/sk)
Conductor	17 1/2	60'	Class G w/ 2% KCl + 0.25 lbs/sk Cello Flake	48 / 41	15%	15.8	1.17
Surface Lead	12 1/4	500'	Class G w/ 2% KCl + 0.25 lbs/sk Flocele	413 / 359	100%	15.8	1.15
Production Tail	7 7/8	5,000'	50/50 Poz/Class G w/ 3% KCl + 2% bentonite	1083 / 873	25%	13.2	1.24

The surface casing will be cemented to surface. In the event that cement does not reach surface during the primary cement job, a remedial job will be performed.

Actual cement volumes for the production casing string will be calculated from an open hole caliper log, plus 25% excess.

6. Type and Characteristics of Proposed Circulating Medium

Interval	Description
Surface - 500'	An air and/or fresh water system will be utilized.
500' - TD	A water based mud system will be utilized. Hole stability may be improved with additions of KCl or a similar inhibitive substance. In order to control formation pressure the system will be weighted with additions of bentonite, and if conditions warrant, with barite. Anticipated maximum mud weight is 9.5 ppg.

7. Logging, Coring, and Testing

Logging: A dual induction, gamma ray, and caliper log will be run from TD to the base of the surface casing. A compensated neutron/formation density log will be run from TD to the top of the Garden Gulch formation. A cement bond log will be run from PBTD to the cement top behind the production casing.

Cores: As deemed necessary.

DST: There are no DST's planned for this well.

RECEIVED: December 06, 2012

8. Anticipated Abnormal Pressure or Temperature

Maximum anticipated bottomhole pressure will be approximately equal to total depth (feet) multiplied by a 0.47 psi/ft gradient.

8,000' x 0.47 psi/ft = 3744 psi

No abnormal temperature is expected. No H_2S is expected.

9. Other Aspects

This is planned as a vertical well.

Variance Request for FIT Requirements:

Finley Resources, Inc. respectfully requests a variance to Onshore Order 2, Section III, Part Bi, for the Pressure integrity test (PIT, also known as a formation integrity test (FIT)). This well is not an exploratory well and is being drilled in an area where the formation integrity is well known. Additionally, when an FIT is run with the mud weight as required, the casing shoe frequently breaks down and causes subsequent lost circulation when drilling the entire depth of the well.

Variance Request for Air Drilling Requirements:

Finley Resources, Inc. respectfully requests a variance to Onshore Order #2, III.E.1

- Dust suppression equipment. Variance granted for water mist system to substitute for the dust suppression equipment.
- Blooie line discharge 100' from the well bore. Variance granted for blooie line discharge to be 75' from the well bore.
- Compressors located in the opposite direction from the blooie line a minimum of 100' from the wellbore. Variance granted for truck/trailer mounted air compressors.
- Straight run blooie line. Variance granted for targeted "T's" at bends.
- Automatic igniter. Variance granted for igniter due to water mist.
- Air drilling operations will be conducted only during drilling of the surface casing hole, there is no history of hydrocarbons being encountered in this hole section in the area where these wells are to be drilled.

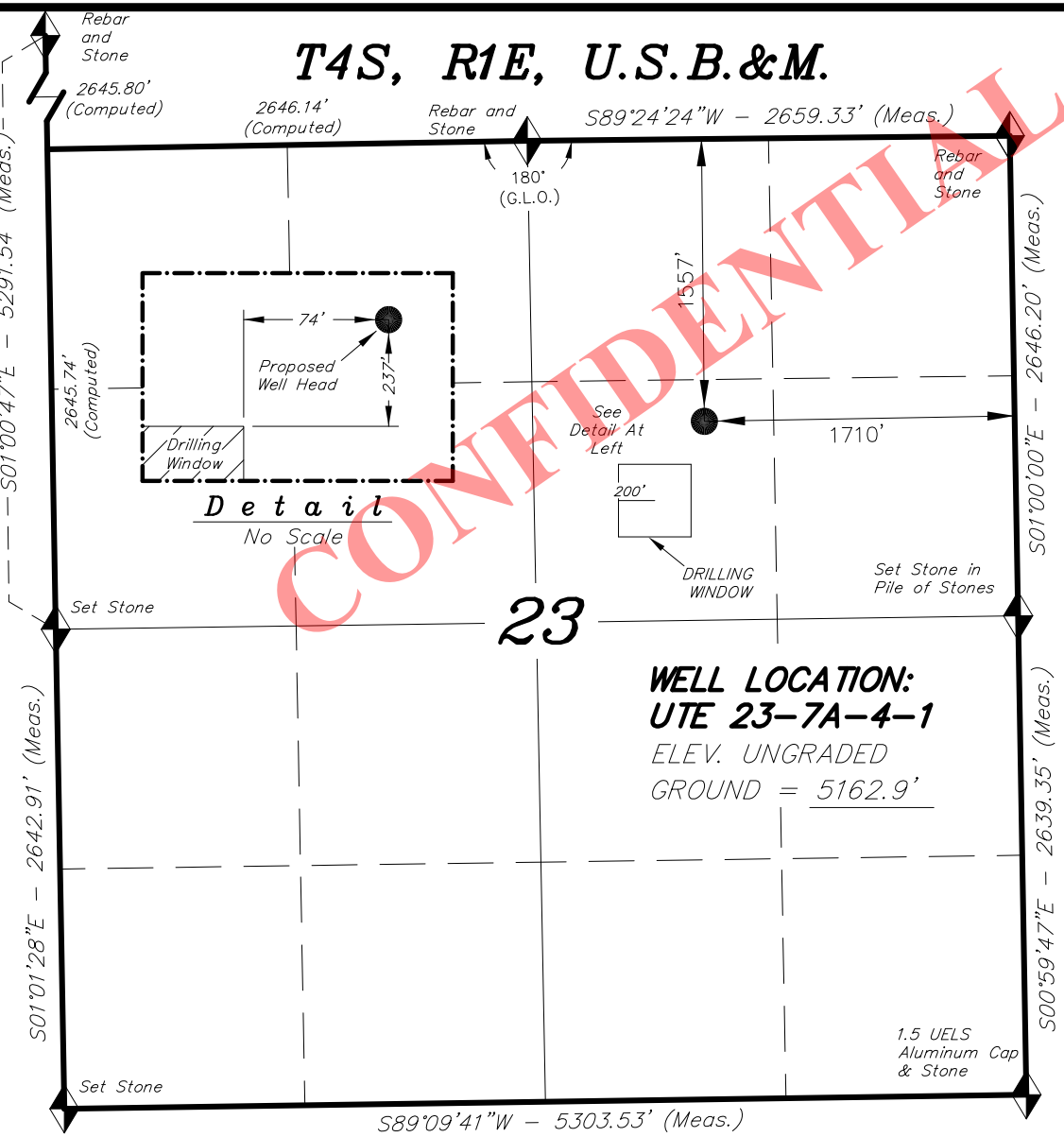
RECEIVED: December 06, 2012

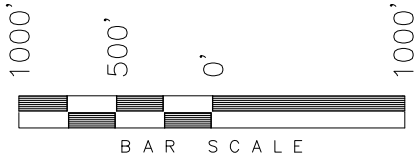
API Well Number: 43047533840000

T4S, R1E, U.S.B.&M.

FINLEY RESOURCES INC.

WELL LOCATION, UTE 23-7A-4-1,
LOCATED AS SHOWN IN THE SW 1/4
NE 1/4 OF SECTION 23, T4S, R1E,
U.S.B.&M. UINTAH COUNTY, UTAH.





NOTES:

1. Well footages are measured at right angles to the Section Lines.
2. Bearings are based on Global Positioning Satellite observations.

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

REGISTERED LAND SURVEYOR
No. 189377
01-02-13
STACY W. STEWART
STATE OF UTAH

REGISTERED LAND SURVEYOR
REGISTRATION No. 189377
STATE OF UTAH

= SECTION CORNERS LOCATED

BASIS OF ELEV; Elevations are based on an N.G.S. OPUS Correction. LOCATION: LAT. 40°04'09.56" LONG. 110°00'43.28" (Tristate Aluminum Cap) Elev. 5281.57'

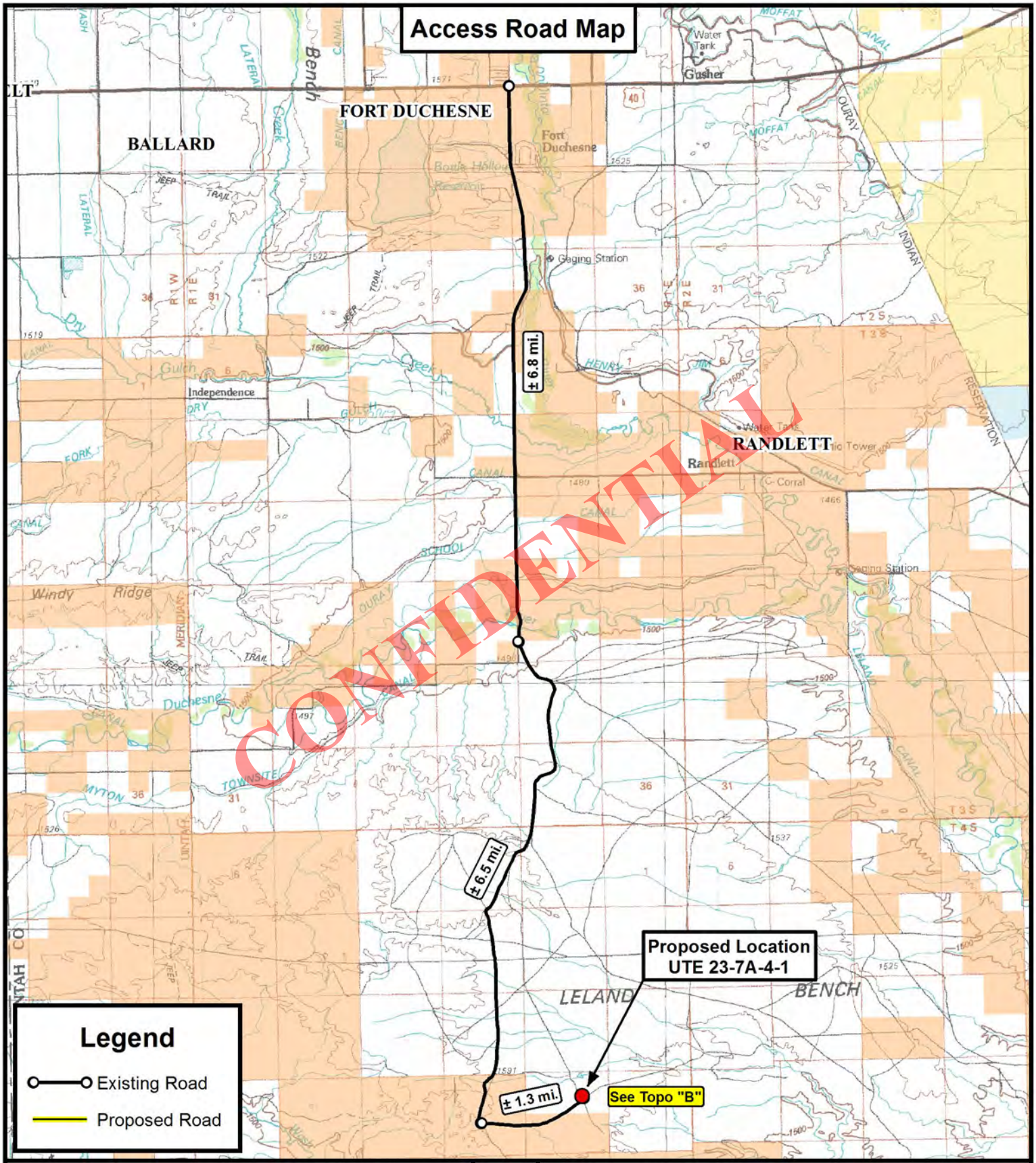
UTE 23-7A-4-1
(Surface Location) NAD 83
LATITUDE = 40° 07' 25.19"
LONGITUDE = 109° 50' 47.47"

TRI STATE LAND SURVEYING & CONSULTING
180 NORTH VERNAL AVE. - VERNAL, UTAH 84078
(435) 781-2501

DATE SURVEYED: 10-09-12	SURVEYED BY: Q.M.
DATE DRAWN: 11-07-12	DRAWN BY: V.H.
REVISED: 01-02-13 M.W.	SCALE: 1" = 1000'

RECEIVED: December 06, 2012

API Well Number: 43047533840000



Tri State Land Surveying, Inc.
180 NORTH VERNAL AVE. VERNAL, UTAH 84078
P: (435) 781-2501
F: (435) 781-2518

N

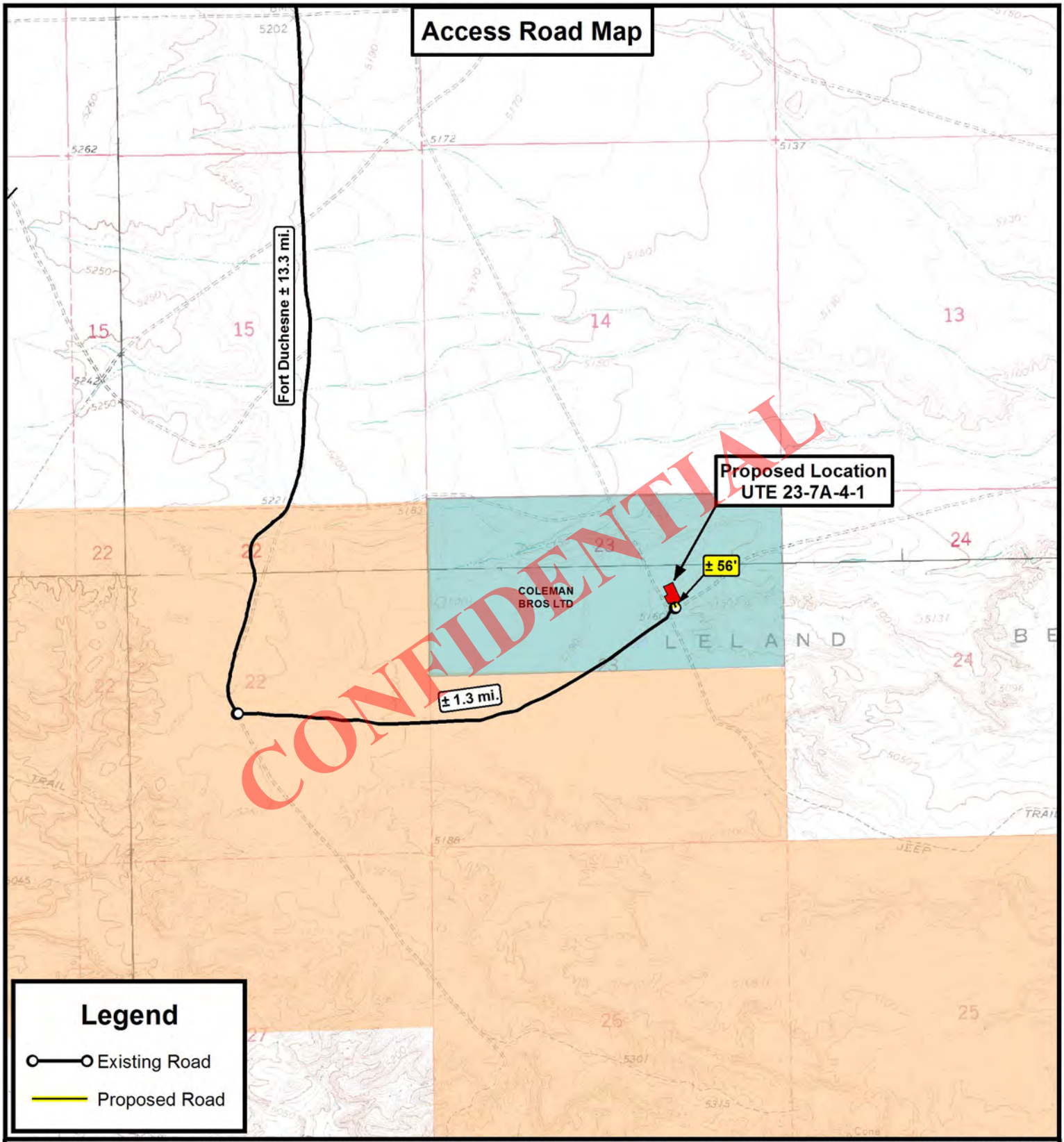
FINLEY RESOURCES INC.
UTE 23-7A-4-1
SEC. 23, T4S, R1E, U.S.B.&M.
Uintah County, UT.

DRAWN BY:	A.P.C.	REVISED:	01-02-13 A.P.C.
DATE:	11-13-2012		
SCALE:	1:100,000		

TOPOGRAPHIC MAP

SHEET A

API Well Number: 43047533840000



THE PARCEL INFORMATION SHOWN HAS NOT BEEN SURVEYED BY TRI-STATE LAND SURVEYING, INC. - TRI-STATE DOES NOT WARRANTY PROPERTY PARCEL DATA OR ANY ASSOCIATED INFORMATION. A PROPERTY SURVEY IS REQUIRED TO DETERMINE THE ACTUAL LOCATION OF PROPERTY LINES AND SHOW ACCURATE DISTANCES ACROSS PARCELS.

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FINLEY RESOURCES INC.
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SEC. 23, T4S, R1E, U.S.B.&M.
Uintah County, UT.

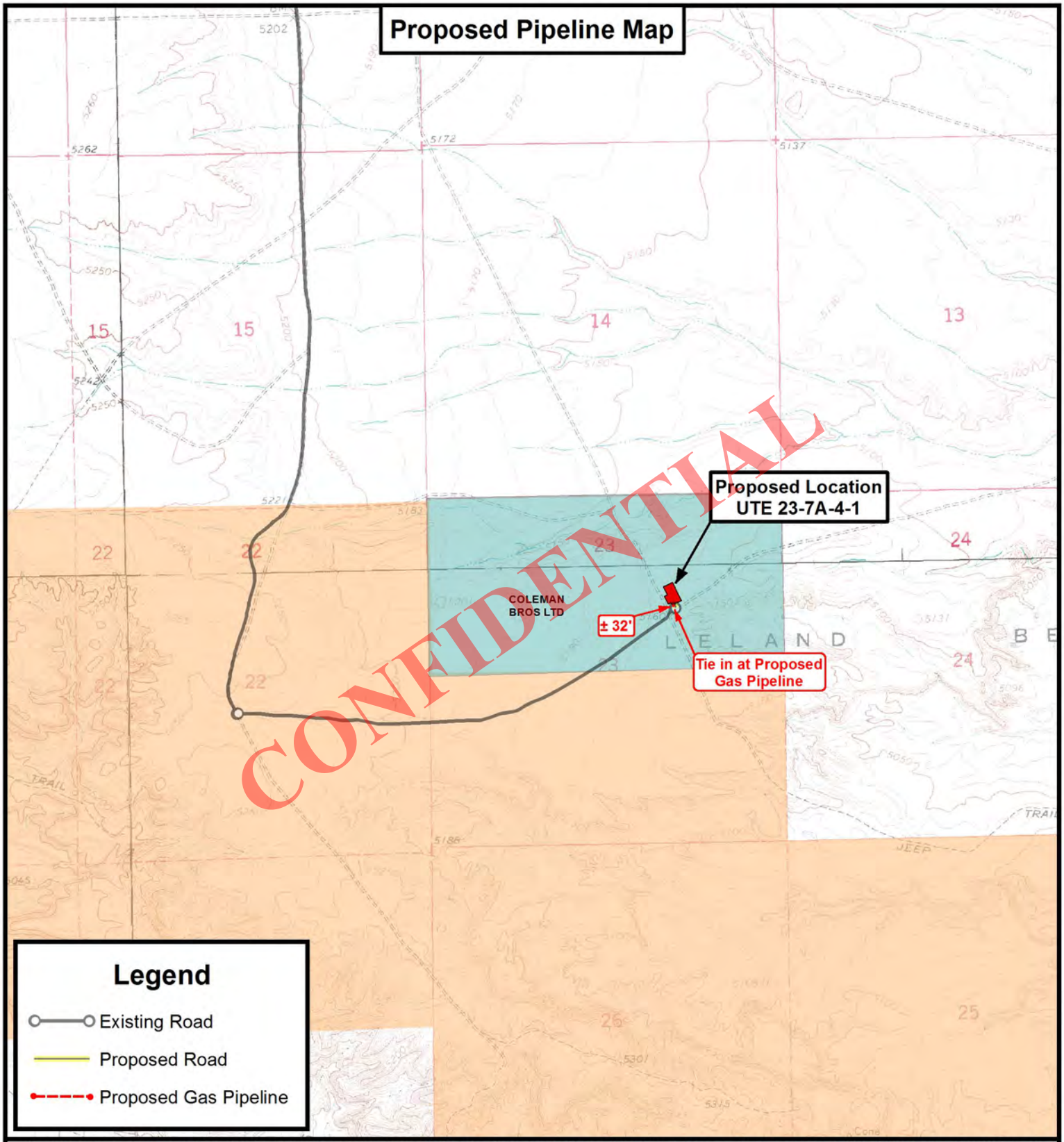
DRAWN BY:	A.P.C.	REVISED:	01-02-13 A.P.C.
DATE:	11-13-2012		
SCALE:	1 " = 2,000 '		

TOPOGRAPHIC MAP

SHEET B

API Well Number: 43047533840000

Proposed Pipeline Map



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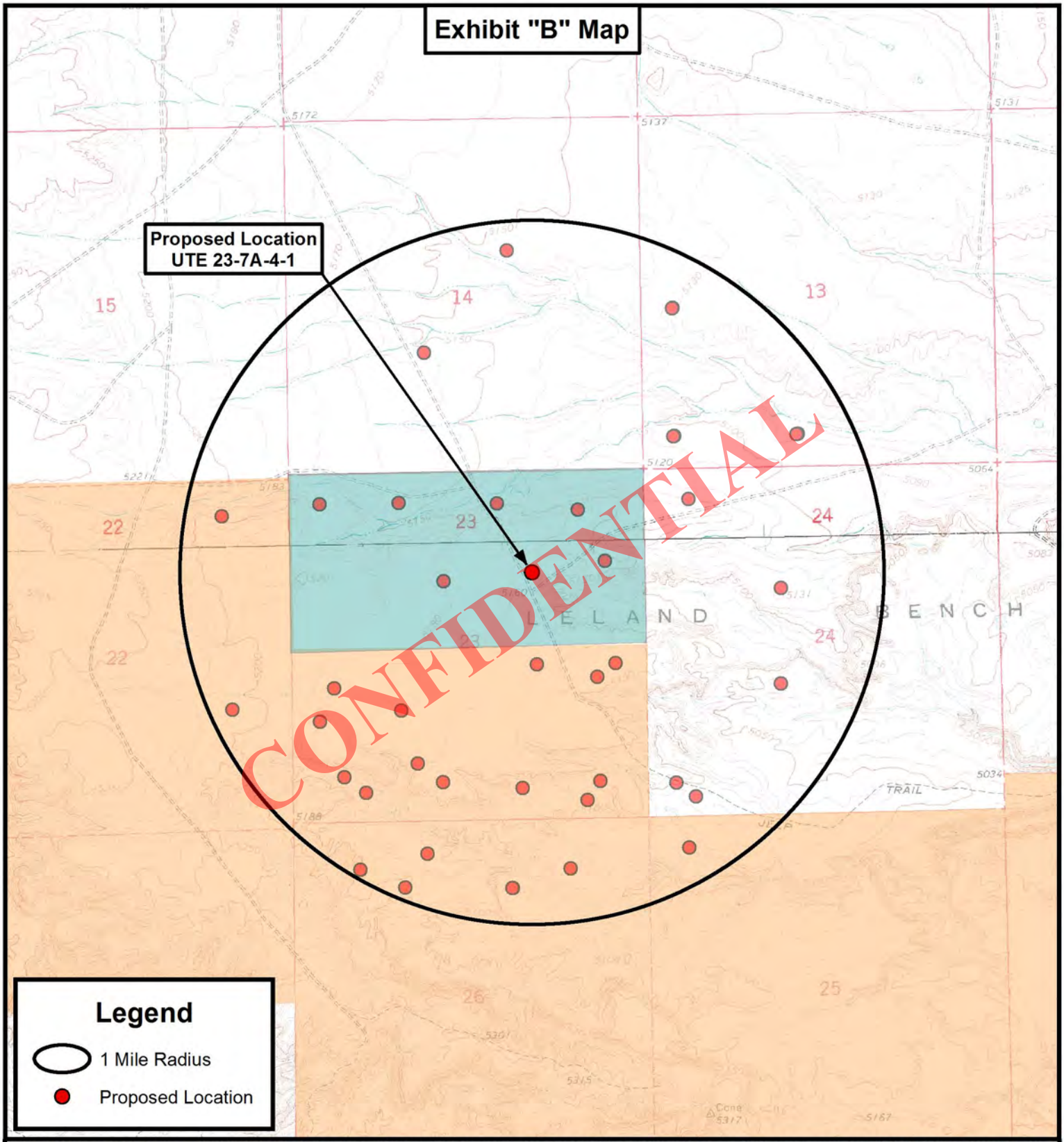
SEC. 23, T4S, R1E, U.S.B.&M.
Uintah County, UT.

DRAWN BY:	A.P.C.	REVISED:	01-02-13 A.P.C.
DATE:	11-13-2012		
SCALE:	1 " = 2,000 '		

TOPOGRAPHIC MAP

SHEET C

API Well Number: 43047533840000



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N

FINLEY RESOURCES INC.
UTE 23-7A-4-1
SEC. 23, T4S, R1E, U.S.B.&M.
Uintah County, UT.

DRAWN BY:	A.P.C.	REVISED:	01-02-13 A.P.C.
DATE:	11-13-2012		
SCALE:	1 " = 2,000 '		

TOPOGRAPHIC MAP

SHEET D

MEMORANDUM OF SURFACE USE AGREEMENT
AND GRANT OF EASEMENTS

WHEREAS, Salradus, L.L.C., Bonnie Coleman managing member, whose address is 148 West Center Street, Heber City, UT 84032, Coleman Mountain Holdings, L.L.C., Mary Jo Coleman Adamson managing member, whose address is P.O. Box 610, Roosevelt, UT 84066, Joseph N. Coleman, Trustee of the Coleman Family Trust, dated June 7, 1991, whose address is 393 East Center, Heber City, UT 84032, and Leila Coleman, Trustee of the Coleman Family Trust dated June 28, 1991, whose address is 950 South 400 East #112, St. George, UT 84770 (hereinafter collectively referred to as "Coleman"), and Uintah Resources, Inc. whose address is 3165 E. Millrock Drive, Suite 550, Salt Lake City, UT 84121 ("Optionee"") (Coleman and Optionee are hereinafter collectively referred to as "Owner") and Finley Resources, Inc., whose address is P.O. Box 2200, Fort Worth, Texas, 76113 ("Operator"), have entered into that certain Easement, Right-of-Way and Surface Use Agreement, hereinafter the "SUA", dated effective April 24th, 2012 covering the following lands owned by Owner in Uintah County, Utah, to wit:

Township 4 South, Range 1East, U.S.M.
Section 13: All
Section 16: All
Section 23: N/2

hereinafter the "Lands"

WHEREAS, in the SUA Owner grants and conveys unto Operator a non-exclusive right to enter upon and use the Lands and Owner's adjacent lands for certain oil and gas related purposes, together with a right-of-way across the Lands to maintain and construct access roads, well sites, holding tanks and other such related facilities necessary for Operators oil and gas operations.

This Memorandum of Surface and Damage Agreement shall serve as notice of the agreement covering the Lands and that the SUA is binding upon Owner and Operator's respective successors and/or assigns.

The terms and provisions of the unrecorded SUA are referred to and incorporated herein, and made a part hereof to the same extent as though set out verbatim. Should any conflict arise between the terms of this Memorandum of Surface Use Agreement and Grant of Easements and the SUA, the terms of the SUA shall control.

Executed this 24th day of April, 2012.

OWNER:

Salradus, L.L.C.
Bonnie S. Coleman, managing member
148 West Center Street
Heber City, UT 84032

Coleman Mountain Holdings, L.L.C.
Mary Jo Coleman Adamson, Managing Member
P.O. Box 610
Roosevelt, UT 84066

Joseph N. Coleman

Coleman Family Trust
Joseph N. Coleman, Trustee
393 East Center
Heber City, UT 84032

The Coleman Family Trust
Leila Coleman, Trustee
950 South 400 East #112
St. George, UT 84770

Uintah Resources, Inc.
By: Todd Dana
Its: President

OPERATOR:

Finley Resources Inc.
By: Clinton Koerth
Its: Vice President

Coleman Mountain Holdings, L.L.C.
Mary Jo Coleman, managing member.
610 N. Mesa Circle. PO Box 610
Roosevelt, UT 84066

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Joseph N. Coleman, Trustee
393 East Center
Heber City, UT 84032

The Coleman Family Trust
Leila Coleman, Trustee
950 South 400 East #112
St. George, UT 84770

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Finley Resources Inc.
By: Clinton Koerth
Its: Vice President

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Mary Jo Coleman Adamson, Managing Member
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API Well Number: 43047533840000

Leila Coleman, Trustee
950 South 400 East #112
St. George, UT 84770

Uintah Resources, Inc.
By: Todd Dana
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OPERATOR:

Finley Resources Inc.
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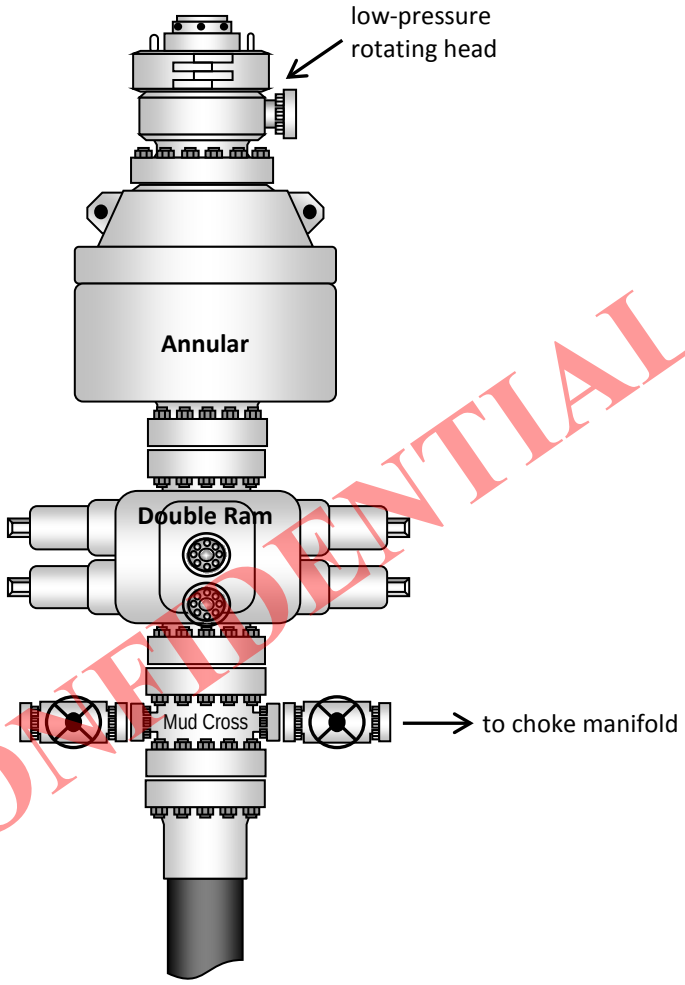
Its: Vice President

Typical 5M BOP stack configuration



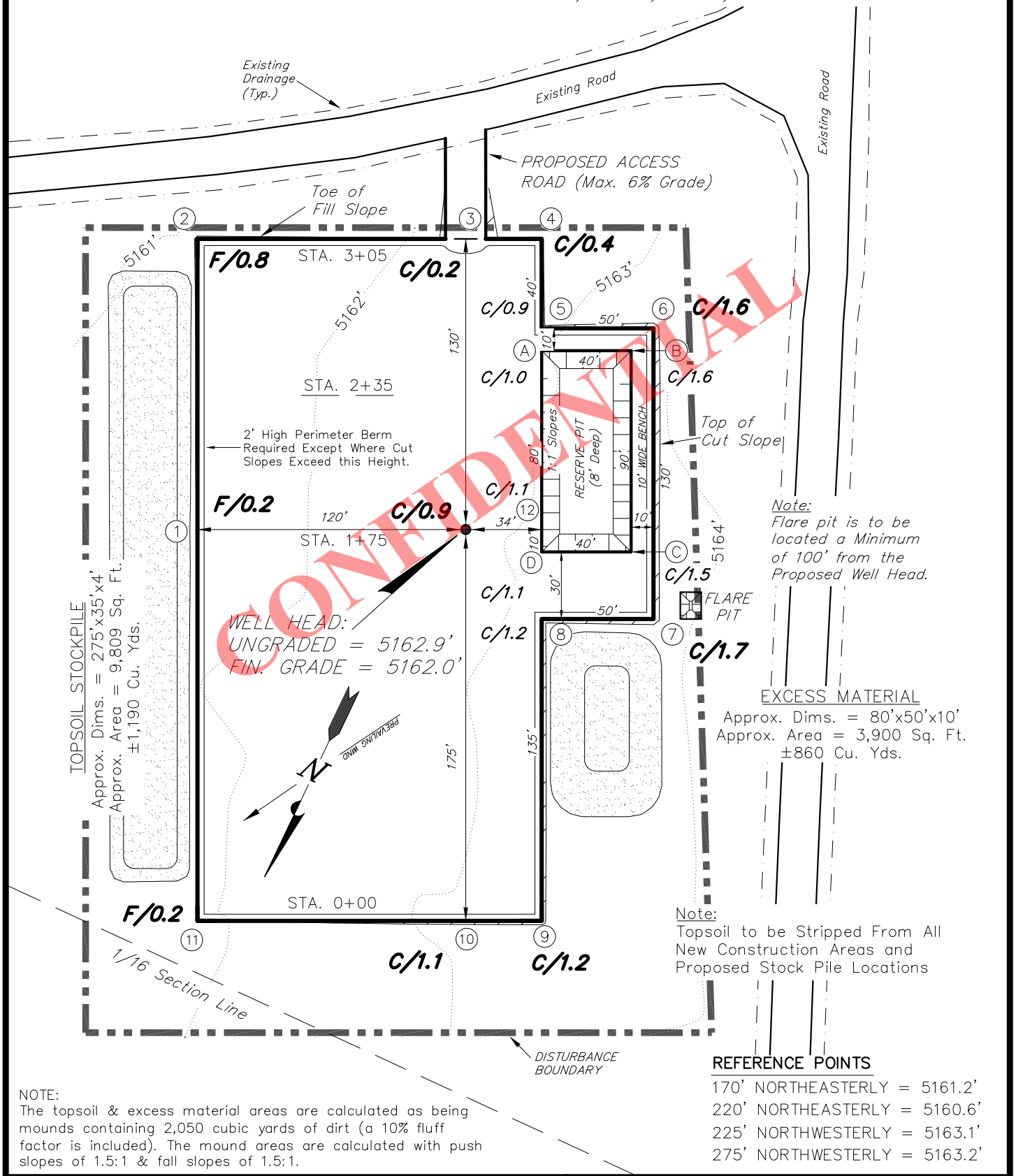
RECEIVED: December 06, 2012

FINLEY RESOURCES INC.

PROPOSED LOCATION LAYOUT

UTE 23-7A-4-1

Pad Location: SWNE Section 23, T4S, R1E, U.S.B.&M.



Note:
Flare pit is to be located a Minimum of 100' from the Proposed Well Head.

EXCESS MATERIAL
Approx. Dims. = 80'x50'x10'
Approx. Area = 3,900 Sq. Ft.
±860 Cu. Yds.

Note:
Topsoil to be Stripped From All New Construction Areas and Proposed Stock Pile Locations

REFERENCE POINTS

170' NORTHEASTERLY = 5161.2'
220' NORTHEASTERLY = 5160.6'
225' NORTHWESTERLY = 5163.1'
275' NORTHWESTERLY = 5163.2'

NOTE:
The topsoil & excess material areas are calculated as being mounds containing 2,050 cubic yards of dirt (a 10% fluff factor is included). The mound areas are calculated with push slopes of 1.5:1 & fall slopes of 1.5:1.

SURVEYED BY:	Q.M.	DATE SURVEYED:	10-09-12	
DRAWN BY:	V.H.	DATE DRAWN:	11-07-12	
SCALE:	1" = 60'	REVISED: M.W.	01-02-13	

Tri State Land Surveying, Inc. (435) 781-2501
180 NORTH VERNAL AVE. VERNAL, UTAH 84078

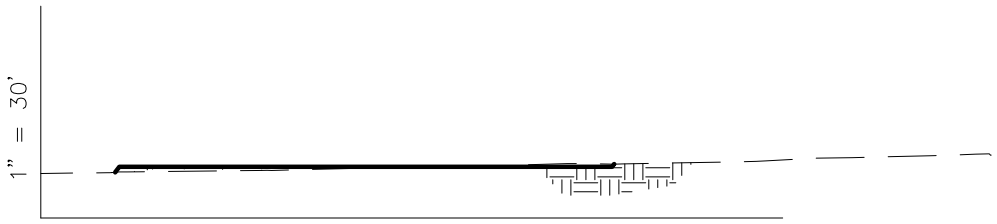
RECEIVED: December 06, 2012

FINLEY RESOURCES INC.

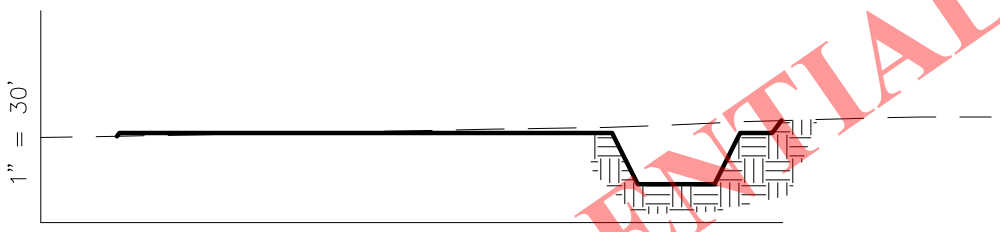
CROSS SECTIONS

UTE 23-7A-4-1

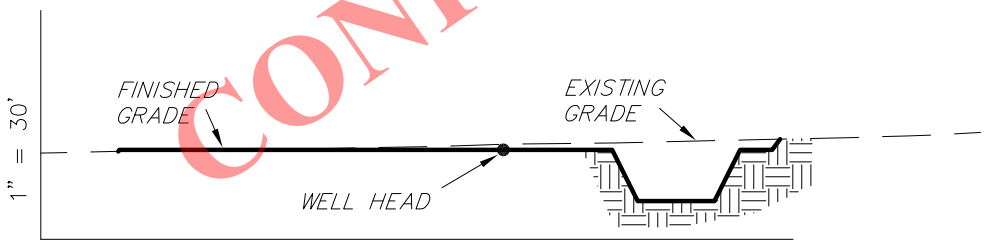
Pad Location: SWNE Section 23, T4S, R1E, U.S.B.&M.



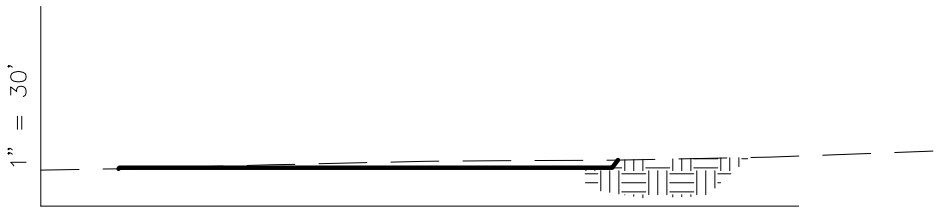
STA. 3+05



STA. 2+35



STA. 1+75



STA. 0+00

NOTE:
UNLESS OTHERWISE NOTED ALL CUT/FILL SLOPES ARE AT 1.5:1

ESTIMATED EARTHWORK QUANTITIES
(No Shrink or swell adjustments have been used)
(Expressed in Cubic Yards)

ITEM	CUT	FILL	6" TOPSOIL	EXCESS
PAD	480	480	Topsoil is not included in Pad Cut Volume	0
PIT	780	0		780
TOTALS	1,260	480	1,090	780

SURVEYED BY:	Q.M.	DATE SURVEYED:	10-09-12
DRAWN BY:	V.H.	DATE DRAWN:	11-07-12
SCALE:	1" = 60'	REVISED: M.W.	01-02-13

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180 NORTH VERNAL AVE. VERNAL, UTAH 84078

RECEIVED: December 06, 2012

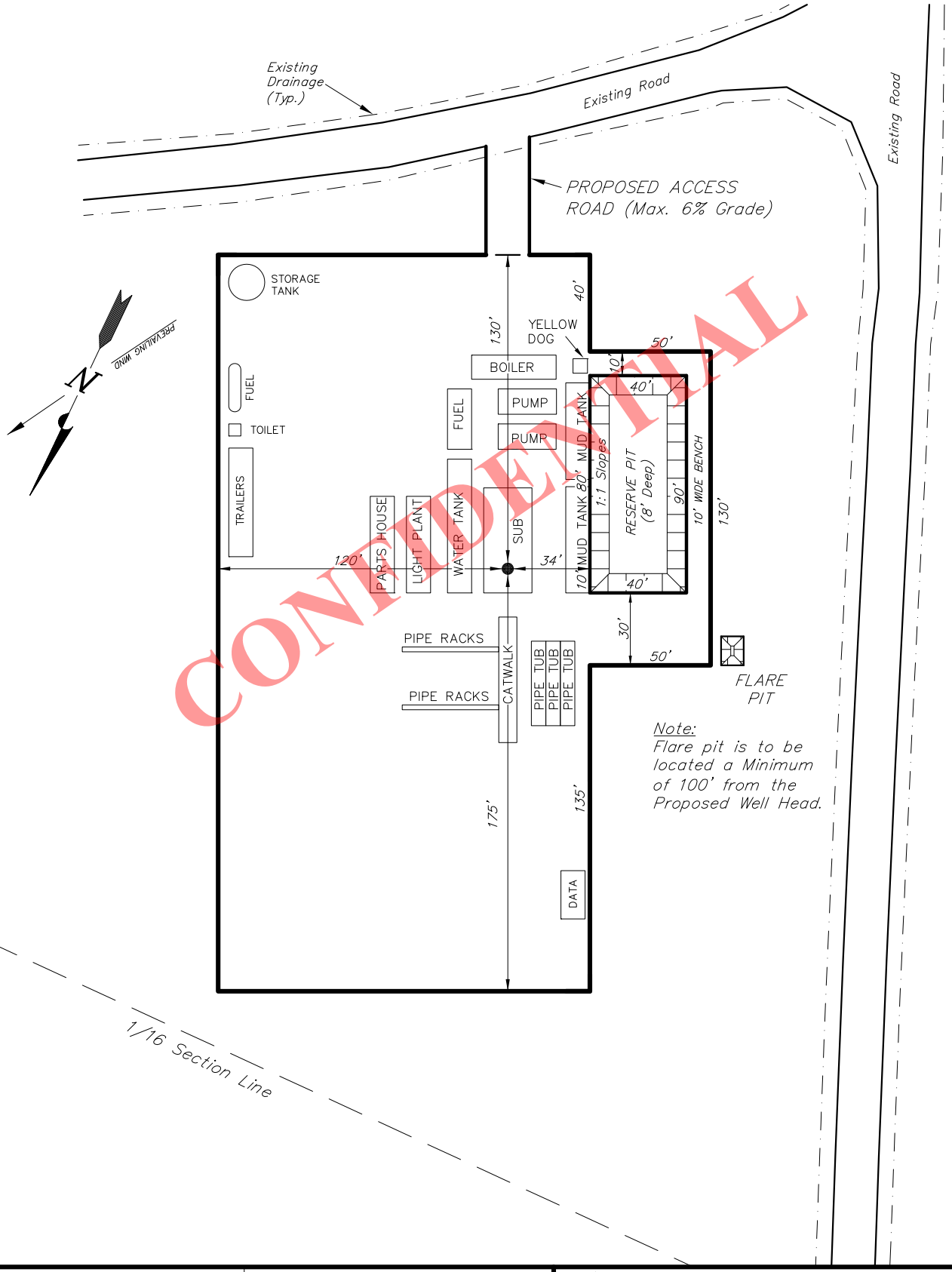
API Well Number: 43047533840000

FINLEY RESOURCES INC.

TYPICAL RIG LAYOUT

UTE 23-7A-4-1

Pad Location: SWNE Section 23, T4S, R1E, U.S.B.&M.



Note:
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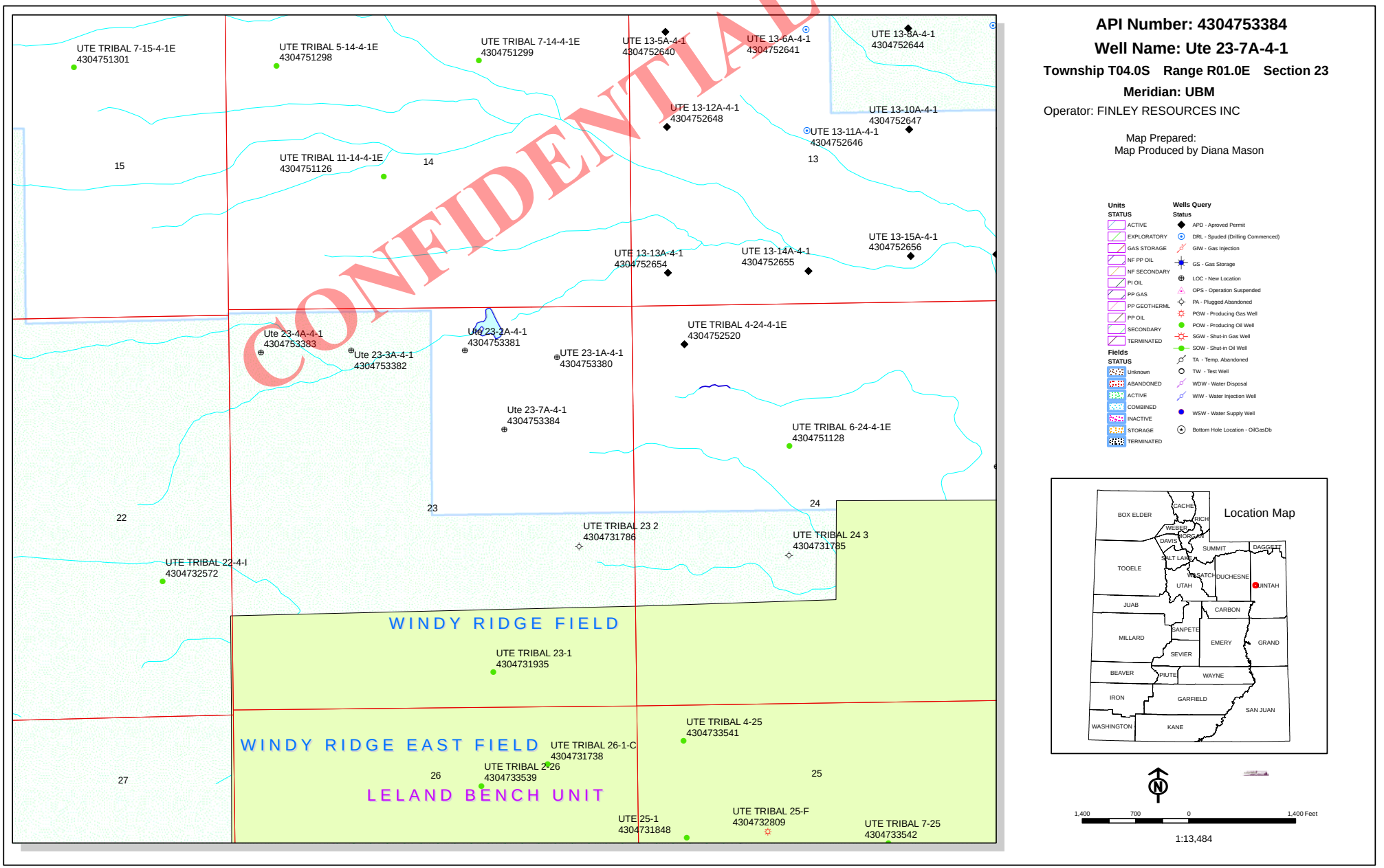
SURVEYED BY:	Q.M.	DATE SURVEYED:	10-09-12	Tri State Land Surveying, Inc. (435) 781-2501
DRAWN BY:	V.H.	DATE DRAWN:	11-07-12	180 NORTH VERNAL AVE. VERNAL, UTAH 84078
SCALE:	1" = 60'	REVISED: M.W.	01-02-13	

RECEIVED: December 06, 2012

API Well Number: 43047533840000



API Number: 4304753384

Well Name: Ute 23-7A-4-1

Township T04.0S Range R01.0E Section 23

Meridian: UBM

Operator: FINLEY RESOURCES INC

Map Prepared:
Map Produced by Diana Mason

Units
STATUS
- ACTIVE
- EXPLORATORY
- GAS STORAGE
- NF PP OIL
- NF SECONDARY
- PI OIL
- PP GAS
- PP GEOTHERML
- PP OIL
- SECONDARY
- TERMINATED

Fields
STATUS
- Unknown
- ABANDONED
- ACTIVE
- COMBINED
- INACTIVE
- STORAGE
- TERMINATED

Wells Query
Status
- APD - Aproved Permit
- DRL - Spuded (Drilling Commenced)
- GIW - Gas Injection
- GS - Gas Storage
- LOC - New Location
- OPS - Operation Suspended
- PA - Plugged Abandoned
- PGW - Producing Gas Well
- POW - Producing Oil Well
- SGW - Shut-in Gas Well
- SOW - Shut-in Oil Well
- TA - Temp. Abandoned
- TW - Test Well
- WDW - Water Disposal
- WIW - Water Injection Well
- WSW - Water Supply Well
- Bottom Hole Location - OilGasDb

1,400 700 0 1,400 Feet

1:13,484

RECEIVED: December 07, 2012

API Well Number: 43047533840000

Star Point Enterprises, Inc.

2580 Creekview Road
Moab, Utah 84532
435/719-2018

December 8 2012

Mrs. Diana Mason
State of Utah
Division of Oil Gas and Mining
P.O. Box 145801
Salt Lake City, Utah 84114-5801

RE: Request for Exception to Spacing – Finley Resources, Inc. – **Ute 23-7A-4-1**
1557' FNL & 1710' FEL, SW/4 NE/4, Section 23, T4S, R1E, USB&M
Uintah County, Utah

Dear Diana:

Finley Resources, Inc. respectfully submits this request for exception to spacing (R649-3-2) based on topography since the well is located less than 460 feet to the drilling unit boundary. Finley Resources, Inc. is the only owner and operator within 460 feet of the surface and target location as well as all points along the intended well bore path and are not within 460 feet of any uncommitted tracts or a unit boundary.

Thank you very much for your timely consideration of this application. Please feel free to contact Zachary Archer of Finley Resources, Inc. at 817-231-8759 or myself should you have any questions or need additional information.

Sincerely,

Don Hamilton
Agent for Finley Resources, Inc.

cc: Zachary Archer, Finley Resources, Inc.

RECEIVED: December 08, 2012

ON-SITE PREDRILL EVALUATION
Utah Division of Oil, Gas and Mining

Operator FINLEY RESOURCES INC
Well Name Ute 23-7A-4-1
API Number 43047533840000 **APD No** 7258 **Field/Unit** UNDESIGNATED
Location: 1/4,1/4 SWNE **Sec** 23 **Tw** 4.0S **Rng** 1.0E 1557 FNL 1710 FEL
GPS Coord (UTM) 598282 4442122 **Surface Owner** Coleman Mountain Holdings, LLC

Participants

W. Civish - BLM ; J. Burns - StarPoint ; J. Simonton - Finley Resources ; D. Slaugh - Tristate; Scott Coleman - landowner

Regional/Local Setting & Topography

This location is on the Leland Bench in Uintah County. The region is fairly flat atop a bench with an environmentally sensitive area (Odekirk Springs and Parriette wetland) South and prime farmland miles below to the North. There was noticed some evidence of overland flow in the area with deep channels (mapped drainages) on the East and West adjacent location. Desert shrub vegetation is sparse. Fort Duchesne is found 13 miles North

Surface Use Plan

Current Surface Use
Grazing

New Road Miles	Well Pad	Src Const Material	Surface Formation
0	**Width** 240 **Length** 315	Onsite	UNTA

Ancillary Facilities N

operator to import 4 inches of 3''- rock as a cap

Waste Management Plan Adequate? Y

Environmental Parameters

Affected Floodplains and/or Wetlands N

Flora / Fauna

High desert shrubland ecosystem. Expected vegetation consists of black sagebrush, shadscale, Atriplex spp., mustard spp, rabbit brush, horsebrush, broom snakeweed, Opuntia spp and spring annuals.
Dominant vegetation;
Galletta, ricegrass and broom snakeweed surround the proposed site.
Wildlife;
Adjacent habitat contains forbs that may be suitable browse for deer, antelope, prairie dogs or rabbits, though none were observed.
BLM had no comment / issues

Soil Type and Characteristics

gravelly clays

Erosion Issues N

RECEIVED: January 16, 2013

API Well Number: 43047533840000

n

Sedimentation Issues N

Site Stability Issues N

Drainage Diverson Required? N

Berm Required? Y

Erosion Sedimentation Control Required? N

Paleo Survey Run? Y **Paleo Potental Observed?** N **Cultural Survey Run?** Y **Cultural Resources?** N

Reserve Pit

Site-Specific Factors		Site Ranking	
Distance to Groundwater (feet)	100 to 200	5	
Distance to Surface Water (feet)	100 to 200	15	
Dist. Nearest Municipal Well (ft)	>5280	0	
Distance to Other Wells (feet)	>1320	0	
Native Soil Type	Mod permeability	10	
Fluid Type	Fresh Water	5	
Drill Cuttings	Normal Rock	0	
Annual Precipitation (inches)		0	
Affected Populations			
Presence Nearby Utility Conduits	Not Present	0	
	Final Score	35	1 Sensitivity Level

Characteristics / Requirements

A 40’ x 90' x 8' deep reserve pit is planned in an area of cut on the west side of the location. A pit liner is required. Operator commonly uses a 16 mil liner with a felt underliner. Pit should be fenced to prevent entry by deer, other wildlife and domestic animals. A minimum freeboard of two feet shall be maintained at all times. Pit to be closed within one year after drilling activities are complete.

Closed Loop Mud Required? N **Liner Required?** Y **Liner Thickness** 16 **Pit Underlayment Required?** N

Other Observations / Comments

outside drilling window. But, moving toward window may place within a major drainage or will destroy landowners corrals and / or outbuildings

Chris Jensen	12/20/2012
Evaluator	**Date / Time**

RECEIVED: January 16, 2013

Application for Permit to Drill
Statement of Basis
Utah Division of Oil, Gas and Mining

APD No	API WellNo	Status	Well Type	Surf Owner	CBM
7258	43047533840000	LOCKED	OW	P	No

Operator	FINLEY RESOURCES INC	**Surface Owner-APD**	Coleman Mountain Holdings, LLC
Well Name	Ute 23-7A-4-1	**Unit**	
Field	UNDESIGNATED	**Type of Work**	DRILL
Location	SWNE 23 4S 1E U 1557 FNL 1710 FEL GPS Coord (UTM) 598279E 4442112N		

Geologic Statement of Basis

The mineral rights for the proposed well are owned by the Ute Tribe. The BLM will be the agency responsible for evaluating and approving the drilling, casing and cement programs.

Brad Hill — **APD Evaluator**

1/10/2013 — **Date / Time**

Surface Statement of Basis

Location is proposed in a good location although outside the spacing window. Drilling window will impact a large drainage or sheep station corrals and outbuildings Access road enters the pad from the South. The landowner was in attendance for the pre-site inspection. The soil type and topography at present do not combine to pose a significant threat to erosion or sediment/ pollution transport in these regional climate conditions. Construction standards of the Operator appear to be adequate for the proposed purpose as submitted.

I recognize no special flora or animal species or cultural resources on site that the proposed action may harm. The location was previously surveyed for cultural and paleontological resources as the operator saw fit. I advise the operator take all measures necessary to comply with ESA and MBTA and that actions insure no disturbance to TES species that may have not been seen during onsite visit.

The location should be bermed to prevent spills from leaving the confines of the pad. Fencing around the reserve pit will be necessary once the well is drilled to prevent wildlife and livestock from entering. A synthetic liner of 16 mils (minimum) should be utilized in the reserve pit. Measures (BMP's) shall be taken to protect topsoil pile from erosion

Chris Jensen — **Onsite Evaluator**

12/20/2012 — **Date / Time**

Conditions of Approval / Application for Permit to Drill

Category	Condition
Pits	A synthetic liner with a minimum thickness of 16 mils shall be properly installed and maintained in the reserve pit.
Surface	The well site shall be bermed to prevent fluids from leaving the pad.
Surface	The reserve pit shall be fenced upon completion of drilling operations.

RECEIVED: January 16, 2013

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 12/6/2012
API NO. ASSIGNED: 43047533840000
WELL NAME: Ute 23-7A-4-1
OPERATOR: FINLEY RESOURCES INC (N3460)
PHONE NUMBER: 435 719-2018
CONTACT: Don Hamilton

PROPOSED LOCATION: SWNE 23 040S 010E
Permit Tech Review: ☑

SURFACE: 1557 FNL 1710 FEL
Engineering Review: ☐

BOTTOM: 1557 FNL 1710 FEL
Geology Review: ☑

COUNTY: UINTAH
LATITUDE: 40.12359
LONGITUDE: -109.84658
UTM SURF EASTINGS: 598279.00
NORTHINGS: 4442112.00
FIELD NAME: UNDESIGNATED
LEASE TYPE: 2 - Indian
LEASE NUMBER: 14-20-H62-4902
PROPOSED PRODUCING FORMATION(S): GREEN RIVER
SURFACE OWNER: 4 - Fee
COALBED METHANE: NO

RECEIVED AND/OR REVIEWED:

- ☑ **PLAT**
- ☑ **Bond:** STATE - RLB0011294
- ☐ **Potash**
- ☐ **Oil Shale 190-5**
- ☐ **Oil Shale 190-3**
- ☐ **Oil Shale 190-13**
- ☑ **Water Permit:** 43-8496
- ☐ **RDCC Review:**
- ☑ **Fee Surface Agreement**
- ☐ **Intent to Commingle**

Commingling Approved

LOCATION AND SITING:

- ☐ **R649-2-3.**

Unit:

- ☐ **R649-3-2. General**
- ☑ **R649-3-3. Exception**
- ☑ **Drilling Unit**

Board Cause No: R649-3-3
Effective Date:
Siting:

- ☐ **R649-3-11. Directional Drill**

Comments: Presite Completed

Stipulations:
1 - Exception Location - dmason
4 - Federal Approval - dmason
5 - Statement of Basis - bhill
23 - Spacing - dmason

RECEIVED: January 16, 2013

GARY R. HERBERT
Governor
GREGORY S. BELL
Lieutenant Governor

State of Utah
DEPARTMENT OF NATURAL RESOURCES
MICHAEL R. STYLER
Executive Director
Division of Oil, Gas and Mining
JOHN R. BAZA
Division Director

Permit To Drill
****

Well Name: Ute 23-7A-4-1
API Well Number: 43047533840000
Lease Number: 14-20-H62-4902
Surface Owner: FEE (PRIVATE)
Approval Date: 1/16/2013

Issued to:
FINLEY RESOURCES INC , PO Box 2200, Fort Worth, TX 76113

Authority:
Pursuant to Utah Code Ann. 40-6-1 et seq., and Utah Administrative Code R649-3-1 et seq., the Utah Division of Oil, Gas and Mining issues conditions of approval, and permit to drill the listed well. This permit is issued in accordance with the requirements of R649-3-3. The expected producing formation or pool is the GREEN RIVER Formation(s), completion into any other zones will require filing a Sundry Notice (Form 9). Completion and commingling of more than one pool will require approval in accordance with R649-3-22.

Duration:
This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date

Exception Location:
Appropriate information has been submitted to DOGM and administrative approval of the requested exception location is hereby granted.

General:
Compliance with the requirements of Utah Admin. R. 649-1 et seq., the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

Conditions of Approval:
State approval of this well does not supercede the required federal approval, which must be obtained prior to drilling.

This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the “Board”). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being

drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.

Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis (copy attached).

Additional Approvals:
The operator is required to obtain approval from the Division of Oil, Gas and mining before performing any of the following actions during the drilling of this well:

- Any changes to the approved drilling plan - contact Dustin Doucet
- Significant plug back of the well - contact Dustin Doucet
- Plug and abandonment of the well - contact Dustin Doucet

Notification Requirements:
The operator is required to notify the Division of Oil, Gas and Mining of the following actions during drilling of this well:

- Within 24 hours following the spudding of the well - contact Carol Daniels
  OR
  submit an electronic sundry notice (pre-registration required) via the Utah Oil & Gas website
  at http://oilgas.ogm.utah.gov
- 24 hours prior to testing blowout prevention equipment - contact Dan Jarvis
- 24 hours prior to cementing or testing casing - contact Dan Jarvis
- Within 24 hours of making any emergency changes to the approved drilling program
  - contact Dustin Doucet
- 24 hours prior to commencing operations to plug and abandon the well - contact Dan Jarvis

Contact Information:
The following are Division of Oil, Gas and Mining contacts and their telephone numbers (please leave a voicemail message if the person is not available to take the call):

- Carol Daniels 801-538-5284 - office
- Dustin Doucet 801-538-5281 - office
  801-733-0983 - after office hours
- Dan Jarvis 801-538-5338 - office
  801-231-8956 - after office hours

Reporting Requirements:
All reports, forms and submittals as required by the Utah Oil and Gas Conservation General Rules will be promptly filed with the Division of Oil, Gas and Mining, including but not limited to:

- Entity Action Form (Form 6) - due within 5 days of spudding the well
- Monthly Status Report (Form 9) - due by 5th day of the following calendar month
- Requests to Change Plans (Form 9) - due prior to implementation
- Written Notice of Emergency Changes (Form 9) - due within 5 days
- Notice of Operations Suspension or Resumption (Form 9) - due prior to implementation

• Report of Water Encountered (Form 7) - due within 30 days after completion
• Well Completion Report (Form 8) - due within 30 days after completion or plugging

Approved By:

For John Rogers
Associate Director, Oil & Gas

Form 3160-3
(August 2007)

RECEIVED

JAN 11 2013

BLM

FORM APPROVED
OMB No. 1004-0136
Expires July 31, 2010

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

CONFIDENTIAL

1a. Type of Work: ☒ DRILL ☐ REENTER

1b. Type of Well: ☒ Oil Well ☐ Gas Well ☐ Other ☐ Single Zone ☒ Multiple Zone

2. Name of Operator
FINLEY RESOURCES, INC.
Contact: DON S HAMILTON
E-Mail: starpoint@etv.net

3a. Address
P.O. BOX 2200
FT. WORTH, TX 76113

3b. Phone No. (include area code)
Ph: 435-719-2018
Fx: 435-719-2019

4. Location of Well *(Report location clearly and in accordance with any State requirements.*)*
At surface SWNE 1557FNL 1710FEL 40.123664 N Lat, 109.846519 W Lon
At proposed prod. zone SWNE 1557FNL 1710FEL 40.123664 N Lat, 109.846519 W Lon

14. Distance in miles and direction from nearest town or post office*
14.6 MILES SOUTH OF FT DUCHESNE, UTAH

15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)
1557

16. No. of Acres in Lease
640.00

17. Spacing Unit dedicated to this well
40.00

18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft.
1100

19. Proposed Depth
8000 MD
8000 TVD

20. BLM/BIA Bond No. on file
RLB0011294

21. Elevations (Show whether DF, KB, RT, GL, etc.
5163 GL

22. Approximate date work will start
01/20/2013

23. Estimated duration
60 DAYS

5. Lease Serial No.
1420H624902

6. If Indian, Allottee or Tribe Name

7. If Unit or CA Agreement, Name and No.

8. Lease Name and Well No.
UTE 23-7A-4-1

9. API Well No.
43 047 53384

10. Field and Pool, or Exploratory
N/A

11. Sec., T., R., M., or Blk. and Survey or Area
Sec 23 T4S R1E Mer UBM

12. County or Parish
UINTAH

13. State
UT

RECEIVED
JUN 04 2013
DIV. OF OIL, GAS & MINING

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification
6. Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature
(Electronic Submission)

Name (Printed/Typed)
DON S HAMILTON Ph: 435-719-2018

Date
01/08/2013

Title
PERMITTING AGENT

Approved by (Signature)

Name (Printed/Typed)
Jerry Kenczka

Date
MAY 31 2013

Title
Assistant Field Manager
Lands & Mineral Resources

Office
VERNAL FIELD OFFICE

Application approval does not warrant or certify the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of approval, if any, are attached.

CONDITIONS OF APPROVAL ATTACHED

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Additional Operator Remarks (see next page)

Electronic Submission #179036 verified by the BLM Well Information System
For FINLEY RESOURCES, INC., sent to the Vernal
Committed to AFMSS for processing by ROBIN R. HANSEN on 01/15/2013 ()

NOTICE OF APPROVAL

**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ****

Additional Operator Remarks:

Proposed Vertical wellbore; Private surface and Tribal Mineral
Surface Owner - Coleman Family (Mary Jo Coleman) P.O. Box 610, Roosevelt, UT 84066; 435-671-2421.
A memorandum of surface use agreement and grant of easements has been attached.
Mineral ownership ? Ute Indian Tribe - 988 South 7500 East; Ft. Duchesne, Utah 84026; 435-725-4982.

UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
VERNAL FIELD OFFICE
170 South 500 East VERNAL, UT 84078 (435) 781-4400

CONDITIONS OF APPROVAL FOR APPLICATION FOR PERMIT TO DRILL

Company:	**FINLEY RESOURCE, INC.**	**Location:**	**SWNE SEC. 23 T4S R1E**
Well No:	**UTE 23-7A-4-1**	**Lease No:**	**142OH624902**
API No:	**43-047-53384**	**Agreement:**	

OFFICE NUMBER: (435) 781-4400

OFFICE FAX NUMBER: (435) 781-3420

A COPY OF THESE CONDITIONS SHALL BE FURNISHED TO YOUR FIELD REPRESENTATIVE TO INSURE COMPLIANCE

All lease and/or unit operations are to be conducted in such a manner that full compliance is made with the applicable laws, regulations (43 CFR Part 3160), and this approved Application for Permit to Drill including Surface and Downhole Conditions of Approval. The operator is considered fully responsible for the actions of his subcontractors. A copy of the approved APD must be on location during construction, drilling, and completion operations. **This permit is approved for a two (2) year period, or until lease expiration, whichever occurs first. An additional extension, up to two (2) years, may be applied for by sundry notice prior to expiration.**

NOTIFICATION REQUIREMENTS

Construction Activity (Notify Ute Tribe Energy & Minerals Dept. and BLM Environmental Scientist)	-	The Ute Tribe Energy & Minerals Dept. and BLM Environmental Scientist shall be notified at least 48 hours in advance of any construction activity. The Ute Tribal office is open Monday through Thursday.
Construction Completion (Notify Ute Tribe Energy & Minerals Dept. and BLM Environmental Scientist)	-	Upon completion of the pertinent APD/ROW construction, notify the Ute Tribe Energy & Minerals Dept. for a Tribal Technician to verify the Affidavit of Completion. Notify the BLM Environmental Scientist prior to moving on the drilling rig.
Spud Notice (Notify BLM Petroleum Engineer)	-	Twenty-Four (24) hours prior to spudding the well.
Casing String & Cementing (Notify BLM Supv. Petroleum Tech.)	-	Twenty-Four (24) hours prior to running casing and cementing all casing strings to: blm_ut_vn_opreport@blm.gov.
BOP & Related Equipment Tests (Notify BLM Supv. Petroleum Tech.)	-	Twenty-Four (24) hours prior to initiating pressure tests.
First Production Notice (Notify BLM Petroleum Engineer)	-	Within Five (5) business days after new well begins or production resumes after well has been off production for more than ninety (90) days.

SURFACE USE PROGRAM
CONDITIONS OF APPROVAL (COAs)

- Paint all production facilities and equipment, not otherwise regulated (OSHA, etc.), Covert Green.

- All areas of disturbance (including surface pipelines) must have appropriate surface use agreements or approvals in place with the proper owner and/or agency before such action is started.

- The conditions of approval, as set forth by those owners and/or agencies, shall be adhered to.

DOWNHOLE PROGRAM
CONDITIONS OF APPROVAL (COAs)

SITE SPECIFIC DOWNHOLE COAs:

- Cement for the production casing shall be brought up to a minimum of 200 feet above the surface casing shoe.
- Variances shall be granted as requested in the APD under Section 9 of the Drilling Program.

All provisions outlined in Onshore Oil & Gas Order #2 Drilling Operations shall be strictly adhered to. The following items are emphasized:

DRILLING/COMPLETION/PRODUCING OPERATING STANDARDS

- The spud date and time shall be reported orally to Vernal Field Office within 24 hours of spudding.
- Notify Vernal Field Office Supervisory Petroleum Engineering Technician at least 24 hours in advance of casing cementing operations and BOPE & casing pressure tests.
- All requirements listed in Onshore Order #2 III. E. Special Drilling Operations are applicable for air drilling of surface hole.
- Blowout prevention equipment (BOPE) shall remain in use until the well is completed or abandoned. Closing unit controls shall remain unobstructed and readily accessible at all times. Choke manifolds shall be located outside of the rig substructure.
- All BOPE components shall be inspected daily and those inspections shall be recorded in the daily drilling report. Components shall be operated and tested as required by Onshore Oil & Gas Order No. 2 to insure good mechanical working order. All BOPE pressure tests shall be performed by a test pump with a chart recorder and **NOT** by the rig pumps. Test shall be reported in the driller's log.
- BOP drills shall be initially conducted by each drilling crew within 24 hours of drilling out from under the surface casing and weekly thereafter as specified in Onshore Oil & Gas Order No. 2.
- Casing pressure tests are required before drilling out from under all casing strings set and cemented in place.
- No aggressive/fresh hard-banded drill pipe shall be used within casing.
- **Cement baskets shall not be run on surface casing.**
- The operator must report all shows of water or water-bearing sands to the BLM. If flowing water is encountered it must be sampled, analyzed, and a copy of the analyses submitted to the BLM Vernal Field Office.
- The operator must report encounters of all non oil & gas mineral resources (such as Gilsonite, tar sands, oil shale, trona, etc.) to the Vernal Field Office, in writing, within 5 working days of each encounter. Each report shall include the well name/number, well location, date and depth (from KB or GL) of encounter, vertical footage of the encounter and, the name of the person

making the report (along with a telephone number) should the BLM need to obtain additional information.

- A complete set of angular deviation and directional surveys of a directional well will be submitted to the Vernal BLM office engineer within 30 days of the completion of the well.

- While actively drilling, chronologic drilling progress reports shall be filed directly with the BLM, Vernal Field Office on a weekly basis in sundry, letter format or e-mail to the Petroleum Engineers until the well is completed.

- A cement bond log (CBL) will be run from the production casing shoe to the top of cement and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.

- **Please submit an electronic copy of all other logs run on this well by CD (compact disc). This submission will supersede the requirement for submittal of paper logs to the BLM.**

- There shall be no deviation from the proposed drilling, completion, and/or workover program as approved. Safe drilling and operating practices must be observed. Any changes in operation must have prior approval from the BLM Vernal Field Office.

OPERATING REQUIREMENT REMINDERS:

- All wells, whether drilling, producing, suspended, or abandoned, shall be identified in accordance with 43 CFR 3162.6. There shall be a sign or marker with the name of the operator, lease serial number, well number, and surveyed description of the well.

- For information regarding production reporting, contact the Office of Natural Resources Revenue (ONRR) at www.ONRR.gov.

- Should the well be successfully completed for production, the BLM Vernal Field office must be notified when it is placed in a producing status. Such notification will be by written communication and must be received in this office by not later than the fifth business day following the date on which the well is placed on production. The notification shall provide, as a minimum, the following informational items:

    - Operator name, address, and telephone number.

    - Well name and number.

    - Well location (¼¼, Sec., Twn, Rng, and P.M.).

    - Date well was placed in a producing status (date of first production for which royalty will be paid).

    - The nature of the well's production, (i.e., crude oil, or crude oil and casing head gas, or natural gas and entrained liquid hydrocarbons).

    - The Federal or Indian lease prefix and number on which the well is located; otherwise the non-Federal or non-Indian land category, i.e., State or private.

- Unit agreement and/or participating area name and number, if applicable.
- Communitization agreement number, if applicable.

- Any venting or flaring of gas shall be done in accordance with Notice to Lessees (NTL) 4A and needs prior approval from the BLM Vernal Field Office.

- All undesirable events (fires, accidents, blowouts, spills, discharges) as specified in NTL 3A will be reported to the BLM, Vernal Field Office. Major events, as defined in NTL3A, shall be reported verbally within 24 hours, followed by a written report within 15 days. "Other than Major Events" will be reported in writing within 15 days. "Minor Events" will be reported on the Monthly Report of Operations and Production.

- Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (BLM Form 3160-4) shall be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3162.4-1. Two copies of all logs run, core descriptions, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, shall be filed on BLM Form 3160-4. Submit with the well completion report a geologic report including, at a minimum, formation tops, and a summary and conclusions. Also include deviation surveys, sample descriptions, strip logs, core data, drill stem test data, and results of production tests if performed. Samples (cuttings, fluid, and/or gas) shall be submitted only when requested by the BLM, Vernal Field Office.

- All off-lease storage, off-lease measurement, or commingling on-lease or off-lease, shall have prior written approval from the BLM Vernal Field Office.

- Oil and gas meters shall be calibrated in place prior to any deliveries. The BLM Vernal Field Office Petroleum Engineers will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports shall be submitted to the BLM Vernal Field Office. All measurement facilities will conform to the API standards for liquid hydrocarbons and the AGA standards for natural gas measurement. All measurement points shall be identified as the point of sale or allocation for royalty purposes.

- A schematic facilities diagram as required by Onshore Oil & Gas Order No. 3 shall be submitted to the BLM Vernal Field Office within 30 days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with Onshore Oil & Gas Order No. 3.

- Any additional construction, reconstruction, or alterations of facilities, including roads, gathering lines, batteries, etc., which will result in the disturbance of new ground, shall require the filing of a suitable plan and need prior approval of the BLM Vernal Field Office. Emergency approval may be obtained orally, but such approval does not waive the written report requirement.

- No location shall be constructed or moved, no well shall be plugged, and no drilling or workover equipment shall be removed from a well to be placed in a suspended status without prior approval of the BLM Vernal Field Office. If operations are to be suspended for more than 30 days, prior approval of the BLM Vernal Field Office shall be obtained and notification given before resumption of operations.

- Pursuant to Onshore Oil & Gas Order No. 7, this is authorization for pit disposal of water produced from this well for a period of 90 days from the date of initial production. A permanent disposal method must be approved by this office and in operation prior to the end of this 90-day period. In order to meet this deadline, an application for the proposed permanent disposal method shall be submitted along with any necessary water analyses, as soon as possible, but no later than 45 days after the date of first production. Any method of disposal which has not been approved prior to the end of the authorized 90-day period will be considered as an Incident of Noncompliance and will be grounds for issuing a shut-in order until an acceptable manner for disposing of said water is provided and approved by this office.

- Unless the plugging is to take place immediately upon receipt of oral approval, the Field Office Petroleum Engineers must be notified at least 24 hours in advance of the plugging of the well, in order that a representative may witness plugging operations. If a well is suspended or abandoned, all pits must be fenced immediately until they are backfilled. The "Subsequent Report of Abandonment" (Form BLM 3160-5) must be submitted within 30 days after the actual plugging of the well bore, showing location of plugs, amount of cement in each, and amount of casing left in hole, and the current status of the surface restoration.

RECEIVED
AUG 15 2013
DIV. OF OIL, GAS & MINING

SUBMIT AS EMAIL | Print Form

CONFIDENTIAL

BLM - Vernal Field Office - Notification Form

Operator Finley Resources, Inc. Rig Name/# _____
Submitted By Jim Simonton Phone Number 435-630-1023
Well Name/Number Ute 23-7A-4-1
Qtr/Qtr SWNE Section 23 Township 4S Range 1E
Lease Serial Number 1420H624902
API Number 43-047-53384

Spud Notice – Spud is the initial spudding of the well, not drilling out below a casing string.

Date/Time _____ _____ AM ☐ PM ☐

Casing – Please report time casing run starts, not cementing times.

- ☐ Surface Casing
- ☐ Intermediate Casing
- ☐ Production Casing
- ☐ Liner
- ☐ Other

Date/Time _____ _____ AM ☐ PM ☐

BOPE

- ☐ Initial BOPE test at surface casing point
- ☐ BOPE test at intermediate casing point
- ☐ 30 day BOPE test
- ☐ Other

Date/Time _____ _____ AM ☐ PM ☐

Remarks Start dirt work construction on access road and location on ~~8/15/13. Should be completed 8/16/13.~~

CONFIDENTIAL

FINLEY RESOURCES, INC. NOTIFICATION FORM—STATE, UTE TRIBE, BIA.BLM

OPERATOR: FINLEY RESOURCES, INC. RIG NAME: Pete Martin Rat Hole Rig

SUBMITTED BY: JIM SIMONTON PHONE #: 435-630-1023

WELL NAME/NUMBER: Ute 23-7A-4-1

QTR/QTR: SWNE SEC.: 23 T: 4S R: 1E

LEASE SN: 14-20-H62-4902

API #: 43-047-53384

CONDUCTOR SPUD NOTICE: DATE:9/13/13 TIME:8:00AM

SURFACE SPUD NOTICE: DATE: TIME:

SURFACE CSG.CEMENT NOTICE: DATE: TIME:

NOTE:

REMARKS: Bucket drill 24" hole to 42' and set 40' of 16" conductor and grout in.

RECEIVED
SEP 16 2013
DIV. OF OIL, GAS & MINING

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING

FORM 9

5.LEASE DESIGNATION AND SERIAL NUMBER: 14-20-H62-4902

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7.UNIT or CA AGREEMENT NAME:

1. TYPE OF WELL
Oil Well

8. WELL NAME and NUMBER:
Ute 23-7A-4-1

2. NAME OF OPERATOR:
FINLEY RESOURCES INC

9. API NUMBER:
43047533840000

3. ADDRESS OF OPERATOR:
PO Box 2200 , Fort Worth, TX, 76113

PHONE NUMBER:
817 231-8735 Ext

9. FIELD and POOL or WILDCAT:
WINDY RIDGE

4. LOCATION OF WELL
FOOTAGES AT SURFACE:
1557 FNL 1710 FEL
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:
Qtr/Qtr: SWNE Section: 23 Township: 04.0S Range: 01.0E Meridian: U

COUNTY:
UINTAH

STATE:
UTAH

11.
CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
☐ NOTICE OF INTENT Approximate date work will start:	☐ ACIDIZE	☐ ALTER CASING	☐ CASING REPAIR
☐ SUBSEQUENT REPORT Date of Work Completion:	☐ CHANGE TO PREVIOUS PLANS	☐ CHANGE TUBING	☐ CHANGE WELL NAME
☐ SPUD REPORT Date of Spud:	☐ CHANGE WELL STATUS	☐ COMMINGLE PRODUCING FORMATIONS	☐ CONVERT WELL TYPE
✓ DRILLING REPORT Report Date: 1/6/2014	☐ DEEPEN	☐ FRACTURE TREAT	☐ NEW CONSTRUCTION
	☐ OPERATOR CHANGE	☐ PLUG AND ABANDON	☐ PLUG BACK
	☐ PRODUCTION START OR RESUME	☐ RECLAMATION OF WELL SITE	☐ RECOMPLETE DIFFERENT FORMATION
	☐ REPERFORATE CURRENT FORMATION	☐ SIDETRACK TO REPAIR WELL	☐ TEMPORARY ABANDON
	☐ TUBING REPAIR	☐ VENT OR FLARE	☐ WATER DISPOSAL
	☐ WATER SHUTOFF	☐ SI TA STATUS EXTENSION	☐ APD EXTENSION
	☐ WILDCAT WELL DETERMINATION	☐ OTHER	OTHER:

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Accepted by the
Utah Division of
Oil, Gas and Mining
FOR RECORD ONLY
July 15, 2014

NAME (PLEASE PRINT)	PHONE NUMBER	TITLE
April Wilkerson	817 231-8735	Reg & Enviro Analyst
SIGNATURE		**DATE**
N/A		7/14/2014

RECEIVED: Jul. 14, 2014

UTE 23 7A-4-1 1/6/2014 1 RD from 23-2a and MIRU on 23-7a. NU BOP's and related equip.. Safety mtg..and test BOP to 3000# and csg.to 1500#. Adjust top drive and install wear bshg.. PU bit and BHA and tag cement at 407'. Drill cement and shoe from 407' to 518'. Drill new hole from 518' to 800'.

UTE 23 7A-4-1 1/7/2014 2 Drill from 800' to 3820'. Surveys (6). RS.

UTE 23 7A-4-1 1/8/2014 3 Drill from 3820' to 5555'. Surveys (3). RS and function test. Losing returns at from 4613' to 5074' and mixing LCM/ Lost all returns at 5273' and idle pump and mixing LCM sweeps prior to resuming drilling at 5273'.

UTE 23 7A-4-1 1/9/2014 4 Drill from 5555' to 7139'. RS and function test. Surveys (4).

UTE 23 7A-4-1 1/10/2014 5 Drill from 7139' to TD of 7505'. Circ.and losing returns and mixing LCM sweeps. Spot 10 ppg high vis brine to 3500'. LDDP and BHA--no drag on the way out. Safety mtg.and RU Halliburton loggers with LTD of 7513' and run logs and RD loggers.

UTE 23 7A-4-1 1/11/2014 6 Pull wear bushing. RU to run csg... Make up float shoe and collar and ran 15 jts.of csg.and attempt to fill csg.and csg.plugged. Lay down 15 jts.of csg.and found the inside seal assembly of float collar came apart and ball dropped to bottom of shoe plugging port. Make up new shoe and float collar and ran new 5-1/2" 15.5# J-55 csg.LT&C and wash csg.down from 7348 to landed at 7491' for a total of 177 jts... Safety mtg.and RU Halliburton cementers and cement csg.string with 400 sxs.of 10 ppg lead cement and 700 sxs.of 12.5 ppg cement and wash up and drop plug and displace with 177 bbl.of cla-sta water with final circ.psi of 1050# and bump plug with 1650# at 3:00AM on 1/11/14 with partial returns thru job. . Remove landing jt.and pack and test head to 5M#--OK. ND and clean pits and release rig at 6:00AM on 1/11/14. Final report of drilling..

TE 23 7A-4-1 8/16/2013 Start dirt work on access road and location. Construction is 30% complete.

UTE 23 7A-4-1 8/21/2013 On 8/20/13 location is built. RDUFA.

UTE 23 7A-4-1 9/15/2013 On 9/13/13 MIRU Pete Martin rat hole rig. Bucket drill 24" hole to 42'. Set 40' of 16" conductor pipe and grout in. Set cellar ring. RDUFA.

UTE 23 7A-4-1 12/23/2013 On 12/22/13 MIRU Pro-Petro air mist rig. Spud 12-1/4" hole at 6:00AM and air mist hole to 510'. RIH with 12 jts.of new 8-5/8" 24# ST&C csg.with guide shoe, 1 jt.; baffle plate and 11 jts.of surface. Used 5 centralizers. Land shoe at 502' and baffle at 460'. RDMO air mist rig. MIRU Pro-Petro cementers and cement 8-5/8" csg.as follows: Pump 40 bbl.of gel water, 10 bbl.of fresh water and 360 sxs.of 15.8 ppg Class "G" cement with 2% CaCl and 1/4# flowcele and drop plug and displace with 29 bbl.of water. Bump plug at 3:00PM on 12/22/13. Hole standing full and had est.80 sxs.of good cement to surface. RD cementers. RDUFA.

UTE 23 7A-4-1 2/17/2014 On 2/4/14 MIRU Cutters WL. Ran a CBL/VDL/GR log from tag at 7412' to surface. Correlated to the Halliburton Density log dated 1/9/13. Top of lead cement est.at 270' with top of tail cement est.at 2750'. RDMO Cutters. RDUFA.

RECEIVED: Jul. 14, 2014

UTE 23 7A-4-1 5/14/2014 On 5/13/14 the frac tree and csg.had been previously been tested to 3800#. On 5/13/14 MIRU The Perforators and perforate the following Uteland Butte/Wasatch zones at 4 JPF and 90* phasing using a 3-1/8 csg gun: 6980-82'; 6987-89'; 7030-38'; 7165-69' & 7320-22' (72 holes). SIFN. No pressure prior to after perforating with the hole full of water. Will start frac work on 5/14/14. $6800

UTE 23 7A-4-1 5/15/2014 On 5/14/14 MIRU The Perforators WL. Perforate the following Uteland Butte/Wasatch intervals at 4 JPF using a 3-1/8" csg gun at 90* phasing per the CBL log dated 1/9/14: 6980-82'; 6987-89'; 7030-38'; 7165-69' & 7320-22' (72 holes). No pressure after perforating. The frac head and csg.had been previously tested to 3800#. SIFN. On 5/15/14 will proceed with frac work.

UTE 23 7A-4-1 5/16/2014 Ute 23-7A-4-1: Report for AM of 5/16/14 for work done on 5/15/14: On AM of 5/15/14 SICP=160#. Zone #1: Frac gross perforated Wasatch/Uteland Butte interval 6980-7322' down 5-1/2" csg.with Weatherford frac crew using a Dynafrac 25 system with 1500 gal.of 15% HCL acid and 60M# of 20/40 mesh sand and a total load of 1016 bbl..Max.rate=62.3; Ave=60.3 BPM; Max.psi=3580#; Ave=3203#; SIP=2235# (.74). Set a comp.frac plug at 6960'. Zone #2: Perforate the following Uteland Butte intervals using a 3-1/8" csg.gun at 3 JPF and 120* phasing per the Density log dated 1/9/14: 6833-35'; 6886-88'; 6892-94'; 6909-11' & 6926-28' (30 holes). Frac this interval using the Dynafrac 25 system as a HYBRID with 1000 gal.of 15% HCL acid and 80,600# of 20/40 sand and a total load of 2004 bbl.. Max.rate=62; Ave=59 BPM; Max.psi=3372#; Ave=3023#; ISIP=2174# (.75). Set a comp.frac plug at 6800'. Zone #3: Perforate the following Castle Peak intervals per the above gun and log: 6714-18'; 6744-46'; 6764-66' & 6783-85' (30 holes). Frac this interval using Dynafrac 20 system as a HYBRID with 1500 gal.of 15% HCL acid and 80M# of 20/40 sand and a total load of 1970 bbl..Max.rate=60; Ave=58 BPM; Max.psi=3544#; Ave=2748#; ISIP=2407# (.79). Set a comp.frac plug at 6600'. Zone #4: Perforate the following Black Shale/Castle Peak intervals per the above gun and log: 6377-80' & 6450-54' (21 holes). Frac this interval with a Dynafrac 20 system with 40M# of 20/40 sand and a total load of 702 bbl..Max.rate=60; Ave=58.5 BPM; Max.psi=3426#; Ave=3221#; ISIP=1849# (.72). Set a comp.frac plug at 6330'. Zone #5: Perforate the following Black Shale intervals per the above gun and log: 6244-48'; 6252-56'; 6272-74' & 6284-86' (36 holes). SIFN. On 5/16/14 will resume frac work.

UTE 23 7A-4-1 5/18/2014 Ute 23-7A-4-1: Report for 5/17/14 for work performed on 5/16/14: Zone #5: On AM of 5/16/14 SICP=1200#. Frac gross perforated Black Shale perfs.6244-86' down 5-1/2" csg.using a 20# HYBRID system with Weatherford using 60M# of 20/40 sand and a total load of 1240 bbl..Max.rate=63; Ave=61 BPM; Max.psi=3691#; Ave=2897#; ISIP=2221# (.79). Set a frac plug at 6150'. Zone #6: Perforate the following Douglas Creek intervals using a 3-1/8" csg.gun at 3 JPF and 120* phasing: 5964-70' & 6088-94' (36 holes). Frac this interval with a 20# x-link gel water system using 138M# of 20/40 sand and a total load of 1643 bbl..Max.rate=62; Ave=61 BPM; Max.psi=3315#; Ave=2652#; ISIP=1835# (.73). Set a comp.frac plug at 5800'. Zone #7: Perforate the following Mahogany Bench/Garden Gulch intervals per above gun: 4907-10'; 4949-52' & 5203-07' (30 holes). Frac this interval with a 20# x-link gel water system using 60M# of 20/40 sand and a total load of 854 bbl..Max.rate=62.8; Ave=61.5 BPM; Max.psi=3033#; Ave=2558#; ISIP=1280# (.68). Total load to recover from all fracs is 9650 bbl.. RDMO Service Companies. After a 3 hour SI period SICP=1050#. Flow the well on various chokes overnight and at 6:00AM on 5/17/14 FCP=550# on a 28/64" choke at a rate of 90

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bbl.per hour with very light sand and a trace of oil and no gas with a cum.rec.to date of 1520 bbl..Continue to flow the well until 6:00PM on 5/17/14 when the FCP=15# at a rate of 27 bbl.per hour of water and 3 BO/hr.with the well basically dead and just surging on a full 2” line. Have a 2-3% oil cut with no gas. SI the well at 6:30PM on 5/17/14. Have recovered a total of 2359 bbl.of water with a LLR=7290 bbl..Have also rec.an est.16 bbl.of oil. Well will remain SI until AM of 5/19/14 when the completion rig will MI.

UTE 23 7A-4-1 5/20/2014 On 5/19/14 SICP=400#. Bled down and rec.water and 1 BO and would not die. MIRU Monument WS and The Perforators WL. Set a comp.BP at 4800'. Bled off well and RD wireline. ND frac valve and NU BOP's. Tally and rabbit in the hole with new 2-7/8" tbg.and 3-5/8" mill and pump off bit sub assembly to 4787'. RU power swivel and SIFN. On 5/20/14 will start to drill out plugs.

UTE 23 7A-4-1 5/21/2014 On 5/20/14 drill out comp.BP at 4800' and took a 500# kick at the surface. Continue in the hole and drill out frac plugs at 5800'; 6150'; 6330'; 6600'; 6800' and 6960'. No sand on any plugs. Continue in the hole and tag fill at 7345' and clean out to PBTD of 7450'. Circ.hole clean with 2% KCL water. Spot biocide on bottom. Pull mill to 6215' and SIFN. On 5/21/14 will finish POOH with mill and lay down and RIH with production tbg..

UTE 23 7A-4-1 5/22/2014 On 5/21/14 SITP=0# with float in string and SICP=300#. Pump 40 bbl.of brine down the tbg.followed by 30 bbl.of KCL water. Csg.flowed for 2 hours and died. Finish POOH with mill and tbg..RIH with production string and well started to flow up the tbg..Pump 40 bbl.brine down the tbg.and 30 bbl.of KCL water. Csg.flowed for 4 hours and died. Set TAC with 12M# tension at 4856' and tbg.tail at 6227'. ND BOP's and NUWH and SIFN. On 5/22/14 will run rods and pump and RD completion rig.

UTE 23 7A-4-1 5/23/2014 On 5/22/14 RU hot oiler and flush tbg.with 50 bbl.of hot KCL water. Bucket test pump. RIH with new pump and new rods. Seat pump and fill tbg.and long stroke pump to 800#--OK. Clamp off rods 12" above tag. RDMO Monument WS. Turn well over to production department. Final report of well completion. Tbg.Detail: Bull Plug (0.73'); 4 jts.of tbg.(129.95'); Perf.sub (4.3'); SN (1.1'); 38 jts.of tbg.(1234.57'); TAC=2.7'); 149 jts.of tbg. (4839.86'); Stretch (1.1'); KB=(13.0'). All tbg.is new 2-7/8" EUE 8rd J-55 6.5#. Pump: 2-1/2"x1-3/4"x16' RHAC w/ 20' dip tube. (149" max.stroke). Rods: 1-2'; 4'; 6' & 8'x7/8" pony rods; 89-7/8" slick rods; 130-3/4" slick; 10-3/4" guided; 10-1-1/2" sinker bars; 11-4'x1" stabilizers.

RECEIVED: Jul. 14, 2014

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

5.LEASE DESIGNATION AND SERIAL NUMBER: 14-20-H62-4902

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7.UNIT or CA AGREEMENT NAME:

1. TYPE OF WELL
Oil Well

8. WELL NAME and NUMBER:
Ute 23-7A-4-1

2. NAME OF OPERATOR:
FINLEY RESOURCES INC

9. API NUMBER:
43047533840000

3. ADDRESS OF OPERATOR:
PO Box 2200 , Fort Worth, TX, 76113

PHONE NUMBER:
817 231-8735 Ext

9. FIELD and POOL or WILDCAT:
WINDY RIDGE

4. LOCATION OF WELL
FOOTAGES AT SURFACE:
1557 FNL 1710 FEL
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:
Qtr/Qtr: SWNE Section: 23 Township: 04.0S Range: 01.0E Meridian: U

COUNTY:
UINTAH

STATE:
UTAH

11.
CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
☐ NOTICE OF INTENT Approximate date work will start:	☐ ACIDIZE	☐ ALTER CASING	☐ CASING REPAIR
☐ SUBSEQUENT REPORT Date of Work Completion:	☐ CHANGE TO PREVIOUS PLANS	☐ CHANGE TUBING	☐ CHANGE WELL NAME
☐ SPUD REPORT Date of Spud:	☐ CHANGE WELL STATUS	☐ COMMINGLE PRODUCING FORMATIONS	☐ CONVERT WELL TYPE
✓ DRILLING REPORT Report Date: 5/30/2014	☐ DEEPEN	☐ FRACTURE TREAT	☐ NEW CONSTRUCTION
	☐ OPERATOR CHANGE	☐ PLUG AND ABANDON	☐ PLUG BACK
	✓ PRODUCTION START OR RESUME	☐ RECLAMATION OF WELL SITE	☐ RECOMPLETE DIFFERENT FORMATION
	☐ REPERFORATE CURRENT FORMATION	☐ SIDETRACK TO REPAIR WELL	☐ TEMPORARY ABANDON
	☐ TUBING REPAIR	☐ VENT OR FLARE	☐ WATER DISPOSAL
	☐ WATER SHUTOFF	☐ SI TA STATUS EXTENSION	☐ APD EXTENSION
	☐ WILDCAT WELL DETERMINATION	☐ OTHER	OTHER:

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Accepted by the
Utah Division of
Oil, Gas and Mining
FOR RECORD ONLY
October 02, 2014

NAME (PLEASE PRINT)	PHONE NUMBER	TITLE
April Wilkerson	817 231-8735	Reg & Enviro Analyst
SIGNATURE		**DATE**
N/A		10/1/2014

RECEIVED: Oct. 01, 2014

UTE 23 7A-4-1 1/6/2014 1 RD from 23-2a and MIRU on 23-7a. NU BOP's and related equip.. Safety mtg..and test BOP to 3000# and csg.to 1500#. Adjust top drive and install wear bshg.. PU bit and BHA and tag cement at 407'. Drill cement and shoe from 407' to 518'. Drill new hole from 518' to 800'. 800 2 $

UTE 23 7A-4-1 1/7/2014 2 Drill from 800' to 3820'. Surveys (6). RS. 3820 20.5 $

UTE 23 7A-4-1 1/8/2014 3 Drill from 3820' to 5555'. Surveys (3). RS and function test. Losing returns at from 4613' to 5074' and mixing LCM/ Lost all returns at 5273' and idle pump and mixing LCM sweeps prior to resuming drilling at 5273'. 5555 19.5 $

UTE 23 7A-4-1 1/9/2014 4 Drill from 5555' to 7139'. RS and function test. Surveys (4). 7129 21 $56800

UTE 23 7A-4-1 1/10/2014 5 Drill from 7139' to TD of 7505'. Circ.and losing returns and mixing LCM sweeps. Spot 10 ppg high vis brine to 3500'. LDDP and BHA--no drag on the way out. Safety mtg.and RU Halliburton loggers with LTD of 7513' and run logs and RD loggers. 7505 6 $

UTE 23 7A-4-1 1/11/2014 6 Pull wear bushing. RU to run csg... Make up float shoe and collar and ran 15 jts.of csg.and attempt to fill csg.and csg.plugged. Lay down 15 jts.of csg.and found the inside seal assembly of float collar came apart and ball dropped to bottom of shoe plugging port. Make up new shoe and float collar and ran new 5-1/2" 15.5# J-55 csg.LT&C and wash csg.down from 7348 to landed at 7491' for a total of 177 jts... Safety mtg.and RU Halliburton cementers and cement csg.string with 400 sxs.of 10 ppg lead cement and 700 sxs.of 12.5 ppg cement and wash up and drop plug and displace with 177 bbl.of cla-sta water with final circ.psi of 1050# and bump plug with 1650# at 3:00AM on 1/11/14 with partial returns thru job. . Remove landing jt.and pack and test head to 5M#--OK. ND and clean pits and release rig at 6:00AM on 1/11/14. Final report of drilling.. 7505 0 $

UTE 23 7A-4-1 8/16/2013 Start dirt work on access road and location. Construction is 30% complete. $0

UTE 23 7A-4-1 8/21/2013 On 8/20/13 location is built. RDUFA. $0

UTE 23 7A-4-1 9/15/2013 On 9/13/13 MIRU Pete Martin rat hole rig. Bucket drill 24" hole to 42'. Set 40' of 16" conductor pipe and grout in. Set cellar ring. RDUFA. $0

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UTE 23 7A-4-1 2/17/2014 On 2/4/14 MIRU Cutters WL. Ran a CBL/VDL/GR log from tag at 7412' to surface. Correlated to the Halliburton Density log dated 1/9/13. Top of lead cement est.at 270' with top of tail cement est.at 2750'. RDMO Cutters. RDUFA. $

UTE 23 7A-4-1 5/14/2014 On 5/13/14 the frac tree and csg.had been previously been tested to 3800#. On 5/13/14 MIRU The Perforators and perforate the following Uteland Butte/Wasatch zones at 4 JPF and 90* phasing using a 3-1/8 csg gun: 6980-82'; 6987-89'; 7030-38'; 7165-69' & 7320-22' (72 holes). SIFN. No pressure prior to after perforating with the hole full of water. Will start frac work on 5/14/14. $

UTE 23 7A-4-1 5/15/2014 On 5/14/14 MIRU The Perforators WL. Perforate the following Uteland Butte/Wasatch intervals at 4 JPF using a 3-1/8" csg gun at 90* phasing per the CBL log dated 1/9/14: 6980-82'; 6987-89'; 7030-38'; 7165-69' & 7320-22' (72 holes). No pressure after perforating. The frac head and csg.had been previously tested to 3800#. SIFN. On 5/15/14 will proceed with frac work. $0

UTE 23 7A-4-1 5/16/2014 Ute 23-7A-4-1: Report for AM of 5/16/14 for work done on 5/15/14: On AM of 5/15/14 SICP=160#. Zone #1: Frac gross perforated Wasatch/Uteland Butte interval 6980-7322' down 5-1/2" csg.with Weatherford frac crew using a Dynafrac 25 system with 1500 gal.of 15% HCL acid and 60M# of 20/40 mesh sand and a total load of 1016 bbl..Max.rate=62.3; Ave=60.3 BPM; Max.psi=3580#; Ave=3203#; SIP=2235# (.74). Set a comp.frac plug at 6960'. Zone #2: Perforate the following Uteland Butte intervals using a 3-1/8" csg.gun at 3 JPF and 120* phasing per the Density log dated 1/9/14: 6833-35'; 6886-88'; 6892-94'; 6909-11' & 6926-28' (30 holes). Frac this interval using the Dynafrac 25 system as a HYBRID with 1000 gal.of 15% HCL acid and 80,600# of 20/40 sand and a total load of 2004 bbl.. Max.rate=62; Ave=59 BPM; Max.psi=3372#; Ave=3023#; ISIP=2174# (.75). Set a comp.frac plug at 6800'. Zone #3: Perforate the following Castle Peak intervals per the above gun and log: 6714-18'; 6744-46'; 6764-66' & 6783-85' (30 holes). Frac this interval using Dynafrac 20 system as a HYBRID with 1500 gal.of 15% HCL acid and 80M# of 20/40 sand and a total load of 1970 bbl..Max.rate=60; Ave=58 BPM; Max.psi=3544#; Ave=2748#; ISIP=2407# (.79). Set a comp.frac plug at 6600'. Zone #4: Perforate the following Black Shale/Castle Peak intervals per the above gun and log: 6377-80' & 6450-54' (21 holes). Frac this interval with a Dynafrac 20 system with 40M# of 20/40 sand and a total load of 702 bbl..Max.rate=60; Ave=58.5 BPM; Max.psi=3426#; Ave=3221#; ISIP=1849# (.72). Set a comp.frac plug at 6330'. Zone #5: Perforate the following Black Shale intervals per the above gun and log: 6244-48'; 6252-56'; 6272-74' & 6284-86' (36 holes). SIFN. On 5/16/14 will resume frac work. $0

UTE 23 7A-4-1 5/18/2014 Ute 23-7A-4-1: Report for 5/17/14 for work performed on 5/16/14: Zone #5: On AM of 5/16/14 SICP=1200#. Frac gross perforated Black Shale perfs.6244-86' down 5-1/2" csg.using a 20# HYBRID system with Weatherford using 60M# of 20/40 sand and a total load of 1240 bbl..Max.rate=63; Ave=61 BPM; Max.psi=3691#; Ave=2897#; ISIP=2221# (.79). Set a frac plug at 6150'. Zone #6: Perforate the following Douglas Creek intervals using a 3-1/8" csg.gun at 3 JPF and 120* phasing: 5964-70' & 6088-94' (36 holes). Frac this interval with a 20# x-link gel water system using 138M# of 20/40 sand and a total load of 1643 bbl..Max.rate=62; Ave=61 BPM; Max.psi=3315#; Ave=2652#; ISIP=1835# (.73). Set a comp.frac plug at 5800'. Zone #7: Perforate the following Mahogany Bench/Garden Gulch intervals per above gun: 4907-10'; 4949-52' & 5203-07' (30 holes). Frac this interval with a 20# x-link gel water system using 60M# of 20/40 sand and a total load of 854 bbl..Max.rate=62.8; Ave=61.5 BPM; Max.psi=3033#; Ave=2558#; ISIP=1280# (.68). Total load to recover from all fracs is 9650 bbl.. RDMO Service Companies. After a 3 hour SI period SICP=1050#. Flow the well on various chokes overnight and at 6:00AM on 5/17/14 FCP=550# on a 28/64" choke at a rate of 90 bbl.per hour with very light sand and a trace of oil and no gas with a cum.rec.to date of 1520

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bbl..Continue to flow the well until 6:00PM on 5/17/14 when the FCP=15# at a rate of 27 bbl.per hour of water and 3 BO/hr.with the well basically dead and just surging on a full 2" line. Have a 2-3% oil cut with no gas. SI the well at 6:30PM on 5/17/14. Have recovered a total of 2359 bbl.of water with a LLR=7290 bbl..Have also rec.an est.16 bbl.of oil. Well will remain SI until AM of 5/19/14 when the completion rig will MI. $

UTE 23 7A-4-1 5/20/2014 On 5/19/14 SICP=400#. Bled down and rec.water and 1 BO and would not die. MIRU Monument WS and The Perforators WL. Set a comp.BP at 4800'. Bled off well and RD wireline. ND frac valve and NU BOP's. Tally and rabbit in the hole with new 2-7/8" tbg.and 3-5/8" mill and pump off bit sub assembly to 4787'. RU power swivel and SIFN. On 5/20/14 will start to drill out plugs. $

UTE 23 7A-4-1 5/21/2014 On 5/20/14 drill out comp.BP at 4800' and took a 500# kick at the surface. Continue in the hole and drill out frac plugs at 5800'; 6150'; 6330'; 6600'; 6800' and 6960'. No sand on any plugs. Continue in the hole and tag fill at 7345' and clean out to PBTD of 7450'. Circ.hole clean with 2% KCL water. Spot biocide on bottom. Pull mill to 6215' and SIFN. On 5/21/14 will finish POOH with mill and lay down and RIH with production tbg.. $

UTE 23 7A-4-1 5/22/2014 On 5/21/14 SITP=0# with float in string and SICP=300#. Pump 40 bbl.of brine down the tbg.followed by 30 bbl.of KCL water. Csg.flowed for 2 hours and died. Finish POOH with mill and tbg..RIH with production string and well started to flow up the tbg..Pump 40 bbl.brine down the tbg.and 30 bbl.of KCL water. Csg.flowed for 4 hours and died. Set TAC with 12M# tension at 4856' and tbg.tail at 6227'. ND BOP's and NUWH and SIFN. On 5/22/14 will run rods and pump and RD completion rig. $

UTE 23 7A-4-1 5/23/2014 On 5/22/14 RU hot oiler and flush tbg.with 50 bbl.of hot KCL water. Bucket test pump. RIH with new pump and new rods. Seat pump and fill tbg.and long stroke pump to 800#--OK. Clamp off rods 12" above tag. RDMO Monument WS. Turn well over to production department. Final report of well completion. Tbg.Detail: Bull Plug (0.73'); 4 jts.of tbg.(129.95'); Perf.sub (4.3'); SN (1.1'); 38 jts.of tbg.(1234.57'); TAC=2.7'); 149 jts.of tbg. (4839.86'); Stretch (1.1'); KB=(13.0'). All tbg.is new 2-7/8" EUE 8rd J-55 6.5#. Pump: 2-1/2"x1-3/4"x16' RHAC w/ 20' dip tube. (149" max.stroke). Rods: 1-2'; 4'; 6' & 8'x7/8" pony rods; 89-7/8" slick rods; 130-3/4" slick; 10-3/4" guided; 10-1-1/2" sinker bars; 11-4'x1" stabilizers. $

UTE 23 7A-4-1 8/5/2014 SIRU, unhang head, unseat pump, RU hot oiler and flush tubing w/40 bbls. LD polished rod and strip on table. TOOH w/rods, LD K-bars and pump. X-over blocks for tubing, Secure well. SDFN. $

UTE 23 7A-4-1 8/6/2014 JSA, bleed well off, ND well head and release TAC. NU BOP, RU floor, TOOH w/tubing. MU bit and bit sub and TIH w/tubing. PU 37 joints and tag @ 7422. 28 feet of fill. LD 18 joints and TOOH w/tubing, broke out bit and bit sub, MU BHA and TIH w/tubing. Detail as follows: 204 joints, TAC, 10 joints, PSN, 4' perf sub, 4 joints, bull plug. RD floor, ND BOP, set TAC in 10 K tension, NU wellhead, X-over blocks. Secure well, SDFN. NOTE: TAC @6644, PSN @6970, EOT @7104 $

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UTE 23 7A-4-1 8/7/2014 JSA, Safety meeting. RU hot oiler and flush tubing w/40 bbls. PU pump and prime. MU dip tube. PU 10 K-bars w/11 stab subs, TIH w/10 guided 3/4" rods, 144 slick 3/4" rods, 111 slick 7/8" rods, and 1 2'X7/8" pony sub. PU polished rod and seat pump. Fill w/30 bbls and test. Good test. Hang head, RD rig and move off location. Return well to production. $

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Reset Form

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

AMENDED REPORT ☐ (highlight changes) FORM 8

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

5. LEASE DESIGNATION AND SERIAL NUMBER: 14-20-H62-49002

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

1a. TYPE OF WELL: OIL WELL ☑ GAS WELL ☐ DRY ☐ OTHER

7. UNIT or CA AGREEMENT NAME:

b. TYPE OF WORK: NEW WELL ☐ HORIZ. LATS. ☐ DEEP-EN ☐ RE-ENTRY ☐ DIFF. RESVR. ☐ OTHER

8. WELL NAME and NUMBER: Ute 23-7A-4-1

2. NAME OF OPERATOR: Finley Resources, Inc

9. API NUMBER: 4304753384

3. ADDRESS OF OPERATOR: 1308 Lake Street CITY Fort Worth STATE TX ZIP 76102

PHONE NUMBER: (817) 231-8735

10 FIELD AND POOL, OR WILDCAT: Leland Bench

4. LOCATION OF WELL (FOOTAGES)
AT SURFACE: 1557 FNL, 1710 FEL
AT TOP PRODUCING INTERVAL REPORTED BELOW: 1557 FNL, 1710 FEL
AT TOTAL DEPTH: 1557 FNL, 1710 FEL

11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWNE 23 4S 1E

12. COUNTY: Uintah

13. STATE: UTAH

14. DATE SPUDDED: 12/22/2013

15. DATE T.D. REACHED: 1/11/2014

16. DATE COMPLETED: 5/23/2014 ABANDONED ☐ READY TO PRODUCE ☑

17. ELEVATIONS (DF, RKB, RT, GL): 5163 GL

18. TOTAL DEPTH: ~~MD~~ 7,505 TVD 7,505

19. PLUG BACK T.D.: MD 7,450 TVD 7,450

20. IF MULTIPLE COMPLETIONS, HOW MANY? *

21. DEPTH BRIDGE PLUG SET: MD TVD

22. TYPE ELECTRIC AND OTHER MECHANICAL LOGS RUN (Submit copy of each)
Triple Combo

23.
WAS WELL CORED? NO ☑ YES ☐ (Submit analysis)
WAS DST RUN? NO ☑ YES ☐ (Submit report)
DIRECTIONAL SURVEY? NO ☑ YES ☐ (Submit copy)

24. CASING AND LINER RECORD (Report all strings set in well)

HOLE SIZE	SIZE/GRADE	WEIGHT (#/ft.)	TOP (MD)	BOTTOM (MD)	STAGE CEMENTER DEPTH	CEMENT TYPE & NO. OF SACKS	SLURRY VOLUME (BBL)	CEMENT TOP **	AMOUNT PULLED
12 1/4	8 5/8 J55	24		503		G 360		0	
7 7/8	5 1/2 J55	15.5		7,491		ppg 1,100		280	

25. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
2 7/8	4,839							

26. PRODUCING INTERVALS

FORMATION NAME	TOP (MD)	BOTTOM (MD)	TOP (TVD)	BOTTOM (TVD)
(A) GreenRiver/Wasat	4,907	7,322		
(B)				
(C)				
(D)				

27. PERFORATION RECORD

INTERVAL (Top/Bot - MD)	SIZE	NO. HOLES	PERFORATION STATUS
4,907 7,322		255	Open ☑ Squeezed ☐
			Open ☐ Squeezed ☐
			Open ☐ Squeezed ☐
			Open ☐ Squeezed ☐

28. ACID, FRACTURE, TREATMENT, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL	AMOUNT AND TYPE OF MATERIAL
4907-7322	518M #20/40 sand, 9415 bbl fluid

29. ENCLOSED ATTACHMENTS:

☐ ELECTRICAL/MECHANICAL LOGS ☐ GEOLOGIC REPORT ☐ DST REPORT ☐ DIRECTIONAL SURVEY
☐ SUNDRY NOTICE FOR PLUGGING AND CEMENT VERIFICATION ☐ CORE ANALYSIS ☐ OTHER:

30. WELL STATUS: P

(5/2000)

(CONTINUED ON BACK)

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31. INITIAL PRODUCTION

INTERVAL A (As shown in item #26)

DATE FIRST PRODUCED:	TEST DATE:	HOURS TESTED:	TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
5/30/2014	6/5/2014	24		20	0	108	Pump

CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:
64/64	0	50	39.00	0	0		20	0	108	

INTERVAL B (As shown in item #26)

DATE FIRST PRODUCED:	TEST DATE:	HOURS TESTED:	TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:

CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:

INTERVAL C (As shown in item #26)

DATE FIRST PRODUCED:	TEST DATE:	HOURS TESTED:	TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:

CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:

INTERVAL D (As shown in item #26)

DATE FIRST PRODUCED:	TEST DATE:	HOURS TESTED:	TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:

CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:

32. DISPOSITION OF GAS (Sold, Used for Fuel, Vented, Etc.)

33. SUMMARY OF POROUS ZONES (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

34. FORMATION (Log) MARKERS:

Formation	Top (MD)	Bottom (MD)	Descriptions, Contents, etc.	Name	Top (Measured Depth)
Green River	2,188			Green River	2,188
Douglas Creek	5,689			Douglas Creek	5,689
Black Shale	6,290			Black Shale	6,290
Uteland Butte	6,805			Uteland Butte	6,805
Wasatch	6,956			Wasatch	6,956

35. ADDITIONAL REMARKS (Include plugging procedure)

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records.

NAME (PLEASE PRINT) April Wilkerson TITLE Regulatory Analyst

SIGNATURE _____ DATE 10/1/2014

This report must be submitted within 30 days of

- completing or plugging a new well
- drilling horizontal laterals from an existing well bore
- recompleting to a different producing formation
- reentering a previously plugged and abandoned well
- significantly deepening an existing well bore below the previous bottom-hole depth
- drilling hydrocarbon exploratory holes, such as core samples and stratigraphic tests

* ITEM 20: Show the number of completions if production is measured separately from two or more formations.

** ITEM 24: Cement Top – Show how reported top(s) of cement were determined (circulated (CIR), calculated (CAL), cement bond log (CBL), temperature survey (TS)).

Send to: Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801

Phone: 801-538-5340

Fax: 801-359-3940

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